

CABINET

13 FEBRUARY 2019

Revenue Budget and Proposed Council Tax for 2019/2020 and Medium Term Financial Strategy 2019/2020 to 2021/2022

Report of the Executive Director of Corporate Services

1. Purpose of Report

1.1 To report:

- the overall revenue budget position for 2019/2020;
- the projected balances position as at 31st March 2019 and 31st March 2020 and advise on their level;
- a risk analysis of the Revenue Budget 2019/2020;
- a summary of the emerging medium term financial position facing the Council from 2019/2020 to 2021/2022 and associated Council Efficiency strategy;
- any views received from the North East Chamber of Commerce, Trade Unions and Scrutiny Coordinating Committee.

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 2019/2020 set out at Appendix J;
- recommend to Council the Medium Term Financial Strategy 2019/2020 to 2021/2022 including Efficiency Strategy as set out in Appendix G and the proposed use of Capital Receipts Flexibility set out at section 10 of the report;
- recommend to Council the proposed Council Tax for 2019/2020 at Appendix F (paper to be tabled);
- note the views, expressed by the North East Chamber of Commerce, Trade Unions and Scrutiny Coordinating Committee.

3. Introduction

3.1 In January 2019 Cabinet received an update on the budget position following the Indicative Local Government Finance Settlement 2019/2020. 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 2019/2020 and related grant announcements;
- transitional costs in relation to the implementation of savings proposals;
- the estimation of Business Rates resources;
- the final Collection Fund position for both Council Tax and Business Rates.

3.2 In presenting the Revenue Budget 2019/2020 this report covers the following areas:

- Current Overall Position 2019/2020 to 2021/2022 (section 4);
- Final position at February 2019 (section 5);
- Spending Pressures and Commitments (section 6);
- Summary Funding gap (section 7);
- Proposals To Meet the Funding Gap 2019/2020(section 8);
- Overall Budget Position 2019/2020 (section 9);
- Workforce Planning, Transformational costs and Capital Receipts Flexibilities (section 10);
- Medium Term Financial Position and associated Efficiency Strategy (section 11);
- Budget Consultation (section 12);
- Equality and the Budget Proposals (section 13);
- Balances and Reserves (section 14);
- Detailed Revenue Budget 2019/2020(section 15).

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 J, including the proposed use of balances and the position in relation to major reserves, for recommendation to Council.

4. Current Overall Position 2019/2020 to 2021/2022

4.1 The January Cabinet report set out the provisional settlement for the Council and set out progress in relation to a number of outstanding uncertainties.

The final settlement received on 29th January 2019 confirmed no changes to the funding set out in the provisional settlement.

Section 5 below sets out further information about the grant changes in accordance with the indicative settlement, while section 6 sets out the final spending pressures and commitments to be taken into account in setting the budget for 2019/2020.

The overall position remains unchanged with reductions of circa £54m estimated to be required over the period.

5. Final Position February 2019

Collection Fund

- 5.1 The Collection Fund position is reported elsewhere on this agenda. The position is positive with the surplus available to the Council being £353,199. This surplus, together with £146,801 drawn from the previously accumulated council tax surplus reserves, will enable £500,000 to be taken into account in supporting the 2019/2020 budget.

Council Tax Base

- 5.2 The Council, at its meeting on 30th January, 2019, approved the Council Tax Base for the area covered by Hetton Town Council (3,786) and the City Council area (70,389).

Retained Business Rates

- 5.3 The NNDR1 form sets out the Business Rate income forecast for 2019/2020 and was submitted to Government on 31st January 2019 in accordance with regulations. The amount of Business Rates to be retained by the Council for 2019/2020 is forecast to be £44.398m.

Final Local Government Finance Settlement

- 5.4 The final position on the Local Government Finance Settlement for 2019/2020 was confirmed on the 29th January 2019. The final Settlement confirmed the position as set out in the provisional settlement and as such there is no change to the position set out in the January Cabinet report.
- 5.5 Following the final Settlement the key issues affecting Sunderland for 2019/2020 are set out below:
- The Councils Settlement Funding Assessment (SFA) level is £112.000m;
 - SFA includes Revenue Support Grant (RSG) of £27.507m in 2019/2020 representing a reduction of £8.650m (-23.9%) compared to 2018/2019 RSG;
 - Sunderland's final baseline funding level is therefore £84.493m. Within this the Government have assessed the level of Retained Business Rates income which the Council will collect and retain as £41.470m (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 £43.023m for 2019/2020 representing an increase of £0.964m compared to 2018/2019.
 - The Safety Net Threshold, set by Government at 92.5% of a Council's baseline funding level, equates to £78.156m for Sunderland;
 - The position in respect of changes to other Government funding is set out at section 5.7, 5.8, 5.9 and 5.10;
 - The position in respect of schools funding is set out at section 5.11.

Council Tax

- 5.6 In accordance with the Localism Act the public have the right to approve or veto excessive council tax rises. 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 Settlement, the Government confirmed the referendum threshold for 2019/2020, comprising 3% for the core Council Tax element plus the balance of the three year Adult Social Care Precept. Any increase above the core council tax limit will require a referendum to give the local electorate the opportunity to approve or veto the increase.
 - With regard to the Adult Social Care Precept, the overall limit of a 6% increase across the three years to 2019/2020 remains, with no one year to exceed 3%. Sunderland raised the Social Care Precept by 3% in 2017/2018 and 2% in 2018/2019. There is therefore scope to increase the Social Care Precept by a further 1% in 2019/2020.
 - The government is to allow Police and Crime Commissioners to increase Council Tax up to a flat rate £24 increase at Band D, in 2019/2020.

Changes to Grants from 2018/2019

- 5.7 The table at 5.8 sets out the impact of changes to the Council Core Spending Power Calculation which includes Revenue Support Grant, Top-up Grant, New Homes Bonus grant, Improved Better Care Fund, Winter Pressures Grant and Social Care Support Grant compared to 2018/2019 following the final settlement. This shows an increase in available Spending Power for 2019/2020 of £4.9m, representing a 2.1% increase compared to 2018/2019. This is below the national average increase of 2.8% and below the rate of inflation.
- Within this, Revenue Support Grant funding has reduced by £8.650m (-23.9%). 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 Council Tax, the Social Care Council Tax precept and an assumed level of retained business rates.
- 5.8 The Government will continue to compensate Councils for any changes to nationally determined reliefs allowed for in the Business Rate regime. This includes for the business rates Retail Discount Scheme. The core spending power includes for an assumed allocation of £2.7m Section 31 grant in 2019/2020.

Spending Power Components	Core Spending Power		Final Core Spending Power		Changes	
	2018-19	2019-20	2018-19	2019-20		
	£m	£m	£m	£m	£m	%
Council Tax Requirement excluding parish precepts		88.924		93.461	4.537	5.1%
Social Care Council Tax precept		6.223		7.512	1.289	20.7%
Settlement Funding Assessment (SFA)						
RSG	36.157		27.507		-8.650	-23.9%
Baseline Funding (Top up Grant)	42.059		43.023		0.964	2.3%
Assumed Business Rates	40.541		41.470		0.929	2.3%
		118.757		112.000	-6.757	-5.7%
Compensation for under-indexing		1.893		2.753	0.860	45.4%
Improved Better Care Funding		13.038		16.567	3.529	27.1%
Provisional New Homes Bonus		3.195		2.957	-0.238	-7.4%
Adult Social Care Support Grant		0.980		0.000	-0.980	-100.0%
Winter Pressures Grant		1.568		1.568	0.000	0.0%
Social Care Support Grant		0.000		2.678	2.678	0.0%
Sunderland Total Core Spending Power		234.578		239.496	4.918	2.1%
<i>Memorandum - national position</i>						2.8%

Impact of Changes to Specific Grants

5.9 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 2019/2020 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 and Council Tax Administration grants of £0.127m has been built into the planning assumptions.
- Public Health grant of £22.768m for 2019/2020 represents a reduction of £0.618m which has been built into the planning assumptions.
- Allocations in respect of LA Improved Better Care Fund (£16.6m) have been built into the planning assumptions.
- NHS Better Care Funding (BCF) is included in allocations to Health.. Pooled BCF budgets for use of the 2019/2020 allocations will be agreed by the Health and Wellbeing Board in due course.
- The council is to receive £1.568m 'Winter Pressures' funding for 2019/2020. The funding is ringfenced and to be pooled into the Better Care Fund via the IBCF, and monitored and reported through the BCF arrangements. Plans are being developed with health partners as to where this additional funding should be focussed, including to support cost pressures currently being experienced in Adult Social Care.
- The Council's allocation for Social Care Support Grant for 2019/2020 is £2.678m. While the government have stated this funding is not ringfenced they expect that councils will use it to meet pressures in adults and children's social care.
- The Council will receive £1.296m from the government distribution of the Business Rates Levy Account Surplus in 2018/2019. As this is a one-off funding distribution for 2018/2019 only, the funding will be used to support one-off spending pressures.

- 5.10 In addition, in January 2019 Government announced £56.5m funding nationally to support local authority Brexit preparations over 2018/2019 and 2019/2020. It is anticipated the Council will receive £0.105m funding in each financial year. The funding will be earmarked to support Brexit preparations.
- 5.11 At the time of preparing this report a number of minor grant allocations are still to be announced by Government. The outcome of allocations for Local Reform and Community Voices and Extended Rights to Free Travel will be considered once received.

Schools Funding

- 5.12 The School Funding announcement on the 17th December 2018 confirmed the following information based on the October Schools Census data. The change from the provisional funding allocation to the settlement information reflects changes in pupil numbers from October 2017 to October 2018:

	Provisional Funding allocations 2019/20	Settlement Information 2019/20	Change in Funding
	£m	£m	£m
Schools Block	166.234	167.470	1.236
High Needs Block	23.299	23.477	0.178
Additional High Needs Funding	-	0.568	0.568
Central Services Block	1.273	1.275	0.002
Total	190.806	192.790	1.984
Early Years	N/A	18.664	N/A
Total	190.806	211.454	1.984

It should be noted that the above settlement information for 2019/2020 includes Sunderland's allocation of the £250m additional funding for High Needs as announced by the Education Secretary.

The early years block comprises funding for the free early education entitlements for 3 and 4-year-olds and disadvantaged 2-year-olds. The figures are initial allocations for this block as early years funding is based on the January census data.

The pupil premium per pupil amounts are unchanged.

- 5.13 Cabinet agreed in January to the principles proposed by the Sunderland Schools Forum for the 2019/2020 Sunderland local funding formula. The National funding formula (NFF) is to be implemented with the following local adjustments:
- The Free School Meal Indicator will now be used in the Sunderland Formula, although at a reduced rate of £210 per pupil (NFF £440).
 - Sunderland Lump Sum value of £150,000 will reduce to £130,000.
- 5.14 The Local Funding Formula was submitted to the Education Funding Agency on 21 January 2019. School Funding Briefings were held with all schools and academies on the 24 January 2019.

6. Spending Pressures and Commitments

- 6.1 When the Budget Planning Framework was approved in October 2018, Cabinet agreed that the following spending commitments would be taken into account:
- provision in respect of a pay-award;
 - price increases on the basis of prudent assumptions in respect of energy and contractual arrangements;
 - provision for spending commitments in respect of debt charges and interest receipts;
 - the impact of demographic changes and complex needs in respect of adult social care;
 - the impact of demand pressures within Children's social care;
 - replacement of one-off resources utilised in setting the 2018/2019 budget.
- 6.2 In addition in January 2019 Cabinet agreed as part of the Budget Update report to make additional provision in respect of:
- service pressures arising as a result of demand pressures and the economic position;
 - Member priorities for additional investment;
 - transitional support to allow for service transformation changes within Sunderland Care and Support;
 - one-off investment in Adult and Children's social care drawing on the additional grant funding provided by government as part of the settlement.

In this context it is proposed to make provision to address a number of spending commitments and pressures as set out below:

6.3 Deputy Leader

6.3.1 Port Trading

The Port continues to operate in a highly competitive trading market with significant supply opportunities available across the North East ports. This coupled with reductions in demand primarily due to the uncertainty around the outcome of the Brexit process which is impacting upon the willingness of companies to invest and trade significant volumes of cargoes is forecast to have a negative impact upon the trading position of the Port during 2019/2020. Provision is included within the budget for a reduction in trading surplus.

6.4 Cabinet Secretary

6.4.1 Pay award

Trade unions accepted a 2 year pay offer for Local Government covering the period to 31 March 2020. Provision for the impact of the agreed 2% pay award for 2019/2020, together with anticipated additional costs of the proposed merging of some pay scale bands, is factored into the budget planning.

The impact of pay progression through annual increments within pay bands is provided for within the budget planning.

6.4.2 National Living Wage

The government implemented the National Living Wage with effect from April 2016 at £7.20. This has increased annually and will increase to £8.21 from April 2019. The Office of Budgetary Responsibility forecasts a subsequent increase to £8.62 by April 2020. While the Council's pay and grading structure exceeds this rate, the National Living Wage represents a significant additional cost pressure for local councils through external contract suppliers passing the cost on through increased contract prices. Appropriate provision has been factored into the budget planning.

6.4.3 Inflationary Increases

Prudent provision is included within the budget planning for the impact of general contract inflation and utility and fuel price volatility.

6.4.4 Member Priorities - Community Development

Sunderland, as a Co-operative Council, is committed to developing co-operative models of business within the city as the model of choice. Provision is included within the budget to launch a Co-operative Business Development Fund targeted at developing new business, mutual and social enterprise start-ups that embrace the co-operative model, as well as existing co-operatives looking to expand their activities.

6.4.5 Capital Financing

Prudential borrowing has been provided for within the medium term financial position in relation to known investments over the period, including for the impact of additional capital programme proposals set out elsewhere on today's agenda.

6.5 Children Learning and Skills

6.5.1 Inflationary increase

The contract price agreed for the provision of children's services with Together for Children includes provision for annual inflationary increases for which provision has been included within the budget planning.

6.5.2 Demand Pressures

As agreed by Cabinet as part of the Budget Planning Framework in October, the budget includes prudent provision for the impact of additional costs arising from increased demand in Looked after Children numbers which has continued to be experienced during 2018/2019.

6.5.3 Derwent Hill

The budget includes provision for the realignment of income targets at Derwent Hill following the impact of a major company reducing their use of the training facility.

6.6 Communities and Culture

6.6.1 The Member Priorities - Area Committees

The budget includes for an additional allocation of £0.500m on an on-going basis, to be allocated £0.100m to each of the Area Committees to be used towards local area priorities.

6.6.2 Member Priorities - Events

The budget includes provision of an additional £0.500m funding on an on-going basis to support moving the city forward as an events city. This will enable an enhanced portfolio of core events delivered by the Council along with partners, which will be complemented by a large number of events led by others.

6.6.3 Leisure Joint Venture

The budget provides for a sum to be held in contingency pending commercial discussions with the Councils Leisure Joint Venture operator following a steady decline in the monthly fitness memberships at the JV leisure centres. This is primarily as a result of the significant level of competition in the leisure facilities market, together with growth in group fitness classes, boot camps and personal fitness trainers which have impacted negatively on public leisure centre membership. In addition, delays in structural changes to buildings have built a delay in achieving saving targets.

6.7 Environment and Transport

6.7.1 City Centre Street Scene

The budget includes an additional allocation of £0.300m on an on-going basis, to enable an improved intensive street cleaning regime within the city centre.

6.8 Health and Social Care

6.8.1 Demand pressures

Pressures in both the NHS and Adult Social care continue with the increasing longevity of population continuing to place pressure on Adult Social Care Services budgets. In addition, client expectations and increasing demand to support clients with complex needs to enable them to maintain independent living requires reconfigured services and additional investment.

Demand for social care packages to support hospital discharges has increased significantly over recent years, and this is likely to continue given the national focus on delayed transfers of care and the requirement of Sunderland to maintain its good level of performance.

The budget includes prudent provision to provide for increases in demand and cost for 2019/2020.

6.8.2 Inflationary increases

As referred to in section 6.4.2, the National Living Wage represents a significant cost pressure for councils as service providers, particularly in the social care sector, endeavour to recover the impact of these increased costs through annual inflationary uplifts to contract prices.

6.8.3 Short Term Support

The budget includes £0.300m to support pressures in Short Term Support on a one-off basis to be funded from the 2019/2020 Winter Pressures Grant, whilst savings plans are being developed and implemented.

6.8.4 Sunderland Care and Support

As reported as part of the January Budget update report, Sunderland Care and Support (SCAS) have pressures as a result of the impact of workforce transformation. Plans are being progressed to address the budget pressure during 2019/2020 on an on-going basis, however as a result of pay protection arrangements there is a one-off pressure into 2019/2020 of £1.250m which it is proposed be met from reserves.

6.9 Housing and Regeneration

6.9.1 Domestic Violence

The budget includes £0.500m to support Domestic Violence services in the city drawing on the Adult and Children's social care grant on a one-off basis while plans are developed to support services on an on-going basis.

7. Summary Funding Gap

- 7.1 Taking into account the issues set out in section 5 and section 6, there is a budget gap of £25.37m in 2019/2020 and £54.48m over the three years to 2021/2022, as a result of funding changes, spending pressures and commitments as set out below:

	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
Government Funding Changes	1.05	7.12	(0.20)	7.97
On-going Spending Pressures	24.32	10.28	11.91	46.51
Total Gross Funding Gap	25.37	17.40	11.71	54.48

8. Proposals to meet the funding gap 2019/2020

8.1 Budget Savings proposals

- 8.1.1 As reported to Cabinet in November 2018

- As part of the 2017/2018 budget process, an initial suite of budget cuts through to 2019/2020 were approved by Council in March 2017 and subsequently updated as part of the 2018/2019 budget process.
- To assist in addressing the remaining 2019/2020 and 2021/2022 budget gap, additional budget savings proposals were approved to be taken forward through the budget process for consideration by Scrutiny Coordinating Committee and for the purposes of consultation.

- 8.1.2 The Budget Update Report to Cabinet in January 2019 included for £1m further savings proposals as a result of a proposed restructure to management arrangements.

- 8.1.3 The plans considered by Cabinet in November 2019 included the proposal to introduce charges for public toilets across the city. This proposal has been reconsidered in light of public concern and comments. This proposal has therefore been removed from the final budget proposals for 2019/2020 to allow a longer term solution to be identified.

- 8.1.4 Taking account of the above, a suite of budget reductions totalling £18.658m over the MTFS period is included for within the budget plans, as summarised in the table below.

	2019/20 £'m	2020/21 £m	2021/22 £m	Total £m
Current Savings Plans to Meet the Funding Gap				
Leader (Appendix A.1)	(0.208)	0.000	0.000	(0.208)
Deputy Leader (Appendix A.2)	(0.069)	0.000	0.000	(0.069)
Cabinet Secretary (Appendix A.3)	(4.549)	(0.337)	0.000	(4.886)
Children, Learning and Skills (Appendix A4)	(5.000)	0.000	0.000	(5.000)
Communities and Culture (Appendix A.5)	(0.924)	0.000	0.000	(0.924)
Environment and Transport (Appendix A.6)	(3.443)	(0.310)	(0.025)	(3.778)
Health and Social Care (Appendix A.7)	(3.095)	(0.593)	0.000	(3.688)
Housing and Regeneration (Appendix A.8)	(0.076)	(0.029)	0.000	(0.105)
Total Current Savings Programme	(17.364)	(1.269)	(0.025)	(18.658)

- 8.1.5 Further detail on each of the budget reductions is set out at Appendix A.
- Those savings previously approved by Council are presented for information only at section 1 of each Portfolio together with the relevant web-link to the March Council Budget report and associated Equalities Analysis.
 - The additional savings proposals as agreed by Cabinet in November 2018 and now taken forward for inclusion in the budget, are presented in more detail from section 2 onwards of each portfolio appendix alongside associated Equalities Analysis.
- 8.1.6 The suite of budget reductions set out at Appendix A, have been prepared in accordance with the Council's Efficiency Strategy. The strategy is reviewed annually to reflect latest information. The updated Efficiency Strategy is incorporated in the update to the Medium Term Financial Strategy and attached to this report as Appendix Gi).

8.2 Proposed Council Tax Increase 2019/2020

- 8.2.1 In order to prevent further cuts to front line services and enable some investment in key priorities, it is proposed to increase the council tax and the social care levy for 2019/2020.
- 8.2.2 Consultation undertaken as part the 2019/2020 budget setting process asked respondents whether they supported increases in Council Tax within the Governments referendum limit.

74% of respondents to the question supported an increase in Council Tax:

- 56% supported an increase in Council Tax within the Government's set referendum limit;
 - 18 % supported an increase above the referendum limit.
- 8.2.3 The referendum limits set out in the local government settlement for 2019/2020 enable the combined council tax and social care precept to be increased by up to 3.99% without the need for a referendum.
- 8.2.4 For 2019/2020 it is proposed to increase core council tax by 2.99% and to increase the social care precept by 1%, resulting in a combined increase of 3.99% i.e. within the referendum limit permitted by government.
- 8.2.5 The formal decisions of the major precepting bodies are awaited regarding their precept proposals for 2019/2020. Consequently, the Proposed Council Tax for 2019/2020 will be tabled as Appendix F to this report at the Cabinet meeting on 13th February 2019.

8.3 Proposed Use of One-off Resources

- 8.3.1 It is proposed that £1.250m one-off resources (Reserves) be utilised in 2019/2020 to support one off budget pressures and while work continues to develop further savings proposals to address the medium term budget gap.

9. Overall Budget Position 2019/2020

- 9.1 The overall budget position is set out below, taking into account government funding changes, cost pressures and proposals to meet the funding gap. This shows a balanced budget position for 2019/2020 taking into account proposed council tax and social care levy increases and use of reserves. There remains a budget gap of £22.04m for 2020/2021 to 2021/2022.

	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
Government Grant Changes	1.05	7.12	(0.20)	7.97
On-going Spending Pressures	24.32	10.28	11.91	46.51
Total Gross Funding Gap	25.37	17.40	11.71	54.48
Savings Proposals to meet funding gap:				
Leader (Appendix A.1)	(0.21)	0.00	0.00	(0.21)
Deputy Leader (Appendix A.2)	(0.07)	0.00	0.00	(0.07)
Cabinet Secretary (Appendix A.3)	(4.55)	(0.34)	0.00	(4.89)
Children, Learning and Skills (Appendix A.4)	(5.00)	0.00	0.00	(5.00)
Communities and Culture (Appendix A.5)	(0.92)	0.00	0.00	(0.92)
Environment and Transport (Appendix A.6)	(3.44)	(0.31)	(0.03)	(3.78)
Health and Social Care (Appendix A.7)	(3.10)	(0.59)	0.00	(3.69)
Housing and Regeneration (Appendix A.8)	(0.08)	(0.03)	0.00	(0.11)
Total Savings Proposals	(17.36)	(1.27)	(0.03)	(18.66)
On-Going Funding Gap after previously approved budget cuts and additional savings proposals	8.01	16.13	11.68	35.82
Assumed Council Tax Increase (inc Social Care levy)	(3.80)	(1.97)	(2.01)	(7.78)
Council Tax Base Increase	(0.43)	(0.50)	(0.51)	(1.44)
Business Rates - Base and Inflationary Increase (inc one-off 2017/18 collection fund surplus)	(2.53)	(0.64)	(1.39)	(4.56)
MTFS Gap @ February 2019 before one-off use of Resources	1.25	13.02	7.77	22.04
Use of One-Off reserves to support SCAS One-off Pressure	(1.25)	0.00	0.00	(1.25)
Pressure from one-off use of reserves in previous year	0.00	1.25	0.00	1.25
MTFS Gap @ February 2019 after one-off use of resources	(0.00)	14.27	7.77	22.04

9.2 The above table demonstrates a remaining budget gap of £22.04m over the period to 2021/2022. However, it is noted that this position assumes that when a revised system of 75% retained business rates is implemented in 2020/2021, Government will take action to ensure a 'status quo' impact on the funding position for each council through the top-ups and tariffs system, to ensure no detrimental impact on each councils overall funding position.

9.3 Further work is continuing to identify and capture additional savings to support the budget position going forward, with the aim of identifying during 2019/2020, a suite of proposals to address the medium term budget gap of £22m. Further updates will be provided to Members in due course and the Medium Term Financial Strategy 2019-2022 will be refined and updated as this work progresses.

10. Workforce Planning, Transformational Costs and Capital Receipts Flexibilities

10.1 One-off transformational costs will arise through workforce planning arrangements in order to assist in delivering the on-going reduction proposals for 2019/2020 through to 2021/2022.

10.2 As part of the 2018/2019 Settlement, the Government extended the flexibilities allowing capital receipts generated in each year through to 2021/2022 to be used to fund transformational costs incurred in those years.

10.3 Workforce Planning arrangements will incur circa £3.75m of transformational costs associated with reducing the workforce to deliver £2.80m of planned savings relating to 2019/2020, 2020/2021 and 2021/2022. This represents a payback period of 1.34 years. However, it is possible that an element of this cost will fall in the current financial year. In addition it is likely that additional transformational costs in excess of workforce planning may arise, for example on ICT systems or other one-off costs.

- 10.4 It is proposed to continue the approach adopted in recent years in relation to the capital receipts flexibility in order to ensure maximum flexibility in funding options available, with the capital receipts received utilised to meet workforce planning arrangements and other transformation costs arising in 2019/2020, 2020/2021 and 2021/2022.
- 10.5 In order to comply with the capital receipts flexibility requirements it is proposed to earmark capital receipts generated in 2019/2020 and 2020/2021 of £3.75m for this purpose. The Council's Efficiency Strategy is set out at Appendix Gi), and supports the government requirements in making use of these flexibilities. The requirements in respect of prudential indicators are reflected in the Capital Programme 2019/2020 to 2022/2023 and Treasury Management Policy and Strategy 2019/2020 report elsewhere on this agenda.
- 10.6 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 each year will be considered as part of the outturn position each year, taking account of the overall corporate outturn position, available reserves, and capital receipts availability.

11. Medium Term Financial Position

- 11.1 In considering the Revenue Budget for 2019/2020, 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 2019/2020 to 2021/2022 is set out at Appendix G.

12. Budget Consultation Results 2019/2020

- 12.1 Cabinet agreed the proposed consultation and communication arrangements in October 2018 as part of the Budget Planning Framework 2019/2020.
- 12.2 This took into account the detailed consultation that informed the MTFS 2017/2018 to 2019/2020, the outcome of which was reported to Cabinet in February 2017 and Council in March 2017. Further consultation did not take place on proposals that were agreed in previous MTFS reports.
- 12.3 Cabinet approved a suite of savings proposals for the purposes of consultation in November 2018. The consultation launched on Thursday 22nd November and closed on Wednesday 2nd January. The budget proposals were grouped together and presented by portfolio themes, along with a simple survey to determine levels of agreement, and to enable an understanding of specific concerns. The survey results are set out in detail at Appendix C.
- 12.4 In general, the findings demonstrate continuing support for the Council's overall approach to meeting the budget cuts.

The highest level of agreement to proposals was in relation to Housing and Regeneration (89.89%), followed by Corporate and Support Services (73.57%), Children, Learning and Skills (67.98%), Community and Culture (61.06%), Environment and Transport (57.46%) and the lowest level of agreement was in relation to Health and Social Care (44.49%).

- 12.5 In addition the following were raised:
- In relation to both Children, Learning and Skills and in Health and Social Care respondents expressed views that there should be no cuts in these areas.
 - In relation to Community and Culture there was concern/uncertainty expressed regarding the impact of Brexit on European funding and concern regarding impact on the voluntary sector.
 - In relation to Environment and Transport there was concern over charges for staff parking and disapproval of charges for public toilets. Following the consultation, the proposal in relation to charging for public toilet provision has been withdrawn. There were also objections to charges for bulky waste including concern that this could lead to increased fly tipping.
- Further detail on comments for all portfolio areas is at Appendix C.
- 12.6 Overall, 73.99% of respondents indicated that they would support an increase in council tax; 55.61% in favour of an increase within the Government's set referendum limit and 19.39% for an increase above this limit. 26.01% opposed a council tax increase.
- 12.7 The results have been used to inform the final budget decisions and to help us to understand whether any concerns raised are associated with particular characteristics protected by equality law and in order to assist Members in paying due regard to the Public Sector Equality Duty whilst making their decisions. Although some proposals, due to their nature, relate to people with protected characteristics (i.e. Children, Learning and Skills and Health and Social Care) there have been few comments directly relating to concerns for people with protected characteristics. Those concerns that have been raised are reflected in Appendix C.
- 12.8 Existing networks have been utilised to communicate with a range of partners including Trades Unions, Chamber of Commerce and Sunderland Business Innovation District (BID), the voluntary and community sector and the city's Equality Forums.
- 12.9 Feedback from formal consultation with Trade Unions and Business representatives with commentary is set out at Appendix D.
- 12.10 At each stage in the budget process Scrutiny Committee is being consulted. Comments from Scrutiny Coordinating Committee on 17th January 2019 are set out at Appendix E.
- 12.11 All of the feedback from the various consultations has been considered in bringing together the budget proposals in this report.
- 12.12 A review of the 2019/2020 budget consultation arrangements will be undertaken to help inform proposed arrangements for future budget consultations. Scrutiny Co-ordinating committee will be engaged in this process.

13. Equality and the Budget Proposals

- 13.1 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.

- 13.2 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.
- 13.3 In accordance with the approach followed in previous years the council continues to fully consider the impact of its plans by following a robust approach to equalities analysis (this is the council's adopted approach to analysing and recording equality impacts). Each directorate has considered the equality impact of their proposals:
- For existing proposals (agreed by council in March 2017 and March 2018), equality analysis that support the decision making are available via the links in Appendix A. In each case the equality position has been reconsidered to ensure the position is current. Should there be instances where there are further significant changes, new or updated equality analysis will be completed in relation to the proposal at the appropriate time.
 - In relation to additional proposals agreed by Cabinet in November 2018, Directorates have considered whether equality is relevant to their budget proposals. The judgements are outlined at Appendix A. The proposals that require an equality analysis which can be accessed via the link within Appendix A.
- 13.4 Elected Members must review Appendix A and B, and the associated 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 Elected Members' group rooms.

Further detail on the approach to equality analyses are set out at Appendix B.

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

- 14.1 In considering the level of general balances as part of budget preparation decisions, regard is given to:
- known commitments against balances in future years;
 - financial risks faced by the Council and the measures in place to mitigate them or meet them financially.
- 14.2 The estimated level of general balances as at 31st March 2019 and 31st March 2020 will be circulated separately at the Cabinet with the General Budget Summary Page and proposed contingencies.
- 14.3 As agreed previously savings arising in 2018/2019 from Interest on Balances and Debt Charges, corporate budgets and unutilised contingency provisions will be utilised to fund one-off spending pressures and transformational costs associated with implementing the budget proposals for 2018/2019 and 2019/2020.
- 14.4 In accordance with best practice, an analysis of the major financial risks has been undertaken in order to inform the level of balances deemed necessary. These are detailed at Appendix H.

- 14.5 The Council has a range of earmarked reserves e.g. the Strategic Investment Reserve. The major earmarked reserves are set out at Appendix li) for information. Appendix lii) sets out the reserves to be released specifically to support the 2019/2020 Budget.
- 14.6 In accordance with Part 2 of the Local Government Act 2003 there is a requirement for the Chief Financial Officer (CFO) to report upon the robustness of the estimates and the level of reserves. In making the statement, the CFO places reliance on information provided to him by other officers of the Council as part of the budget setting process. This process involves reasonable checks and other verification, which is undertaken in accordance with the overall system of internal control to validate the information provided.
- 14.7 Based upon the information used in determining this Revenue Budget 2019/2020 report, including specifically:
- the Medium Term Financial Position set out in Appendix G;
 - the approach to budget consultation;
 - the Statement of General Balances (to be tabled);
 - the Risk Analysis set out in Appendix H;
 - the Major Reserves set out in Appendix li.

The Revenue Budget is considered robust and the level of reserves considered to be adequate for 2019/2020 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 £12.0m to the end of 2018/2019 are in accordance with the existing policy and are considered prudent and robust given the overall level of reserves.

15. Detailed Budget 2019/2020

- 15.1 As set out above, since the initial budget proposals were formulated, consideration has been given to the outcome of 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.
- 15.2 The Total Budget Requirement to be approved by the Council is funded through:
- Revenue Support Grant
 - Retained Business Rates
 - Top Up Grant
 - Council Tax and Social Care Levy
- 15.3 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 13th February 2019.
- 15.4 The formal decisions of the major precepting bodies are awaited regarding their precept proposals for 2019/2020. Consequently, the Proposed Council Tax for 2019/2020 will be tabled as Appendix F to this report at the Cabinet meeting on 13th February 2019.

General

- 15.5 Appendix J sets out the detailed Revenue Budget 2019/2020 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

- 15.6 The presentation of the budget book was revised from 2017/2018 to show delegated budget only against services, rather than the full cost of services, including support service costs. Support service costs, IAS19 (Pensions) and asset charges have been appropriately distributed to each portfolio and are shown for information only at the foot of each page. This approach has been adopted to ensure the budget book fully reflects internal management responsibilities and thereby aids transparency of individual budgets. It does not, therefore, reflect external reporting requirements which will contain apportionment of support service costs.
- 15.7 It should be noted that variations between the budget for 2018/2019 and 2019/2020 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;
 - Realignment between budgets and services to reflect changed operational requirements.

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

- 15.8 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.

16. Suggested Reason for Decision

- 16.1 To comply with statutory requirements.

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

- 17.1 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 January 2019

- Revenue Budget 2019/2020 to 2021/2022 - Update and Provisional Revenue Support Settlement
- Council Tax Base 2019/2020

Cabinet Report October 2018

- Budget Planning Framework, Revenue Budget Proposals and Medium Term Financial Strategy 2019/2020-2021/2022

Cabinet Report November 2018

- Revenue Budget Proposals 2019/2020 – 2021/2022

1. **Leader Proposals – Total Saving £0.208m (£0.208m 2019/2020)**
- 1.1 **Previously Agreed Savings Plans - (Saving £0.121m in 2019/2020) (For Information Only)**

Council Report 01/03/2017 Appendix B ref	Proposal	2019/20 £'m	2020/21 £'m	2021/22 £'m	Total £'m
	Leader				
1.7	Review of Strategy and Partnerships	(0.121)	0.000	0.000	(0.121)
	Leader Total	(0.121)	0.000	0.000	(0.121)

Detail in relation to the above previously agreed budget cuts were contained within Appendix B of item 6 of the Council agenda for the 1st of March 2017, using the reference in the table above. This detail has been reproduced at the following link reflecting any changes to the equality categorisation since approval and a small number of minor implementation changes, and was included as supplementary information on October Cabinet agenda.

[Previously Agreed Proposals - Equality Supplementary Information](#)

1.2 Review of the Policy, Partnerships and Communications service – (Saving £0.013m in 2019/2020)

The service works collaboratively with partners to maximise their impact on the city and its residents. It also provides support to the council's leadership. A review has been undertaken to simplify partnership working arrangements which has reduced the level of support required. Key areas of policy support will be retained, including equality policy advice and engagement of the equality forums. The reduced function will continue to provide clear direction and common purpose through the formulation of partnership-based strategy 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 workforce equality implications will be considered as part of the redundancy consultation for this service area	✓
No Equality Analysis Required	
Additional Comment: Savings will also be made through deleting a vacant post. The work of the service will continue to be reviewed through its annual service business planning process.	

1.3 Reduction in Corporate Printing – (Saving £0.024m in 2019/2020)

The council has reviewed its corporate printing budget requirements and is able to reduce printing in two key areas:

- (a) Printing of committee agendas – In future printing of committee agendas will be reduced, some copies will be provided for members of the public and for any elected member or officer who may have a disability and needs to have a paper-copy over an electronic copy.
- (b) Printing of payslips and associated P60's and P11D's - the cost of printing council payslips has reduced in recent years as the number of employees has reduced. The introduction of a payslip e-portal will enable employees and elected members to view their payslips electronically, reducing printing costs further.

Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	✓ (b)
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓ (a)
Additional Comment: (a) Printing of committee agendas - Should an elected member or officer require a paper copy of committee agenda papers because of a disability then a paper copy will be provided. (b) The move to electronic payslips has had a full Equality Analysis. Equality considerations include access to and the ability to use ICT equipment for the viewing of payslips for those employees who are not desk-based and therefore may not have access to the internet. The employee Supporting Equality Network has been consulted to help inform Equality Analysis. If an employee has a disability and is unable to access the electronic portal reasonable adjustments will be made, which will need to involve providing a printed copy.	

Further equality information, can be found at: [Equality Supplementary Information](#)

1.4 Maximising fee recovery for professional support and advice services provided by the Policy, Partnerships and Communications Team – (Saving £0.050m in 2019/2020)

A number of staff across the Policy, Partnership and Communications Team provide support throughout the lifecycle of various capital projects and funding streams. The service will ensure that income for the team is generated where appropriate from such projects, e.g. IAMP.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: The budget saving is purely financial in nature and does not have an impact on the public therefore no Equality Analysis is required.	

2. Deputy Leader Proposals – Total Saving £0.069m (£0.069m 2019/2020)

2.1 Cease Membership of Eurocities Network – (Saving £0.019m in 2019/20)

The Council has been a member and a participant in the Eurocities Network since November 2007. It is proposed that the Council will cease its membership which will generate savings due to removal of the annual membership fee together with travel to participate in the 2 key network meetings held each year.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: It is felt that the cessation of membership of the Eurocities Network will not directly impact on the public therefore an equality analysis is not required.	

2.2 Review of Business Investment Team staffing arrangements – (Saving £0.030m in 2019/2020)

A review of staffing arrangements within the Business Investment Team will be undertaken which will generate 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 workforce equality implications will be considered as part of the redundancy consultation for this service area	✓
No Equality Analysis Required	
Additional Comment: The proposals are staff related but will not affect front line service delivery therefore no specific Equality Analysis is required.	

2.3 Review of support in relation to community cohesion and safer communities – (Saving £0.020m in 2019/2020)

The budget available for community safety and cohesion activity will be reduced however the service will mitigate the impacts of the reduction through engagement with partners and prioritising the use of the remaining budget. Savings have been identified in relation to the running costs of the neighbourhood project in Sulgrave Washington by running the office on revised hours. The project will continue with no adverse impact to the public. There will be a small reduction in the problem solving budget reflecting a change in focus to higher threshold cases. This can result in higher impact and will typically require partner agency mainstream resource (e.g. variations in policing) rather than small financial contributions from community safety. The council will continue to work with partners on a regular basis to ensure issues are addressed in an appropriate manner.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: The savings will be made without any impact on protected characteristics and therefore no equality analysis is required.	

Appendix A (continued)

3. Cabinet Secretary Proposals – Total Saving £4.886m (£4.549m 2019/2020, £0.337m 2020/2021)

3.1 Previously Agreed Savings Plans - (Saving £2.234m in 2019/2020) (For Information Only)

Council Report 01/03/2017 Appendix B ref *	Council Report 07/03/2018 Appendix B ref **	Proposal	2019/20 £'m	2020/21 £'m	2021/22 £'m	Total £'m
		Cabinet Secretary				
2.1		Review of Legal Services	(0.085)	0.000	0.000	(0.085)
2.3		Review of Corporate ICT arrangements	(0.654)	0.000	0.000	(0.654)
2.4		Cessation of contract for Intelligence Hub support	(0.500)	0.000	0.000	(0.500)
2.5		Review of Transactional Finance Arrangements including Council Tax and Business Rates rationalisation and restructure	(0.024)	0.000	0.000	(0.024)
2.6		Maximising income generation activity and undertaking a review of processes within HR&OD	(0.200)	0.000	0.000	(0.200)
2.8		Review of Business Support (Administration and PA Support service provision)	(0.315)	0.000	0.000	(0.315)
	2.4	Implementation of Hybrid Mail System	(0.045)	0.000	0.000	(0.045)
3.6		Housing Delivery Plan Implementation - Increase in new homes built, beyond current assumptions on New Homes Bonus and Council Tax	(0.108)	0.000	0.000	(0.108)
3.9		Assurance, Procurement and Project Review - Service redesign including maximisation of self-service arrangements and a reduction in the level of support available for transformational change and service delivery.	(0.023)	0.000	0.000	(0.023)
3.10		Financial Management – Further service redesign to focus strictly on strategic legislative responsibilities and reliance on budget manager self service	(0.162)	0.000	0.000	(0.162)
8.2		Customer Services Network – Review of service arrangements	(0.118)	0.000	0.000	(0.118)
		Cabinet Secretary Total	(2.234)	0.000	0.000	(2.234)

* Detail in relation to the above previously agreed budget cuts were contained within Appendix B of item 6 of the Council agenda for the 1st of March 2017, using the reference in the table above. This detail has been reproduced at the following link reflecting any changes to the equality categorisation since approval and a small number of minor implementation changes, and was included as supplementary information on October Cabinet agenda.

** Detail in relation to the above previously agreed budget cuts were contained within Appendix B of item 6 of the Council agenda for the 7th of March 2018, using the reference in the table above. This detail has been reproduced at the following link reflecting any changes to the equality categorisation since approval and a small number of minor implementation changes, and was included as supplementary information on October Cabinet agenda.

[Previously Agreed Proposals - Equality Supplementary Information](#)

3.2 Review of Financial Management Staffing Structure and overheads – (Saving £0.206m in 2019/2020 and 0.048m in 2020/2021)

A review of the structures and roles within Financial Management in the light of the changing council structure and support provided to external organisations, has identified the opportunity for a reduction in staffing budgets, together with additional charging opportunities for services provided.

In addition savings are available from service overheads following a review of the fee structure for the Council's external audit arrangements.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	✓
No Equality Analysis Required	✓
Additional Comment: Any workforce equality implications will be considered as part of any redundancy consultation. Other elements of reduction relate in a statutory fee paid for external audit and as such has no equality implication.	

3.3 Review of Law & Governance Staffing Structures – (Saving £0.118m in 2019/2020)

The service will be tailored to support the demands of the Council on a flexible basis with the use of short term external support as and when 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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: Savings will relate to the deletion of recently created posts that have not yet been appointed to.	

3.4 ICT – Maximising Data Centre income, contract renegotiation and reduced overheads - (Saving £0.088m in 2019/2020)

The ICT Service will increase income from tenant hosting fees in the Data Centre to reflect the recent improvements to the robustness and resilience of the facility. In addition some existing ICT Third Party Contracts will be decommissioned and/or re-negotiated with a reduction in associated specific budgets.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: This budget saving is based upon income generation by increasing charges to existing customers and to a reduction in third party spend in respect of a number of ICT contracts, and associated specific budgets. Items will not have any impact therefore an Equality Analysis is not required.	

3.5 Review of Benefits and ICT Structures (Saving £0.103m in 2019/2020)

A review of staffing arrangements within the Housing Benefits and ICT teams will be undertaken which will generate 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 workforce equality implications will be considered as part of the redundancy consultation for this service area	✓
No Equality Analysis Required	
Additional Comment: This efficiency is based upon staffing changes.	

3.6 Review of External Funding, Revenues and Commercial Finance Structure - (Saving £0.023m in 2019/2020 and £0.034m in 2020/2021)

Development of the Councils financial information system (SAP) and investment in the Revenues ICT systems will lead to business process improvements as well as enabling online access to council tax accounts and e-billing. This will result in savings in staffing costs.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	✓
No Equality Analysis Required	
Additional Comment: This efficiency is based on process improvements.	

3.7 Assurance, Procurement and Performance Service Review (Saving £0.367m in 2019/2020)

The following proposals will result in budget savings:

- Review management and staffing arrangements for the Insurance and Claims Handling teams leading to a reduction in staffing costs. The loss of specialist knowledge will be managed through the increased use of external insurance brokers.
- Review of staffing arrangements within the internal audit and risk management service leading to a reduction in staffing costs, with the focus of Risk Management work/support limited to the Strategic Risk Profile, Corporate Risk Profile and major projects.
- Maximise fee recovery for professional support and advice services provided by the Project Office from capital projects.
- Reduce the revenue contribution to internal insurance funds, reflecting the good performance of the insurance funds.
- Realign income budgets to reflect actual level achieved for NEPO contract rebates and provision of audit and risk services.
- Reduction in Corporate Services Directorate Training Budget to reflect actual levels of spend.
- Staffing savings arising from implementation of SAP SRM upgrade / new functionality re self-service.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	✓
No Equality Analysis Required	✓
Additional Comment: An element of the above savings relates to staffing changes. The other elements relate to income generation, reclassification of costs, and reduction on the level of contribution to the internal insurance fund which have no impact on front line services therefore it is considered that an Equality Analysis is not required.	

3.8 NECA Transport Levy - population change - (Saving £0.220m in 2019/2020)

The Council makes an annual payment to the Tyne and Wear Joint Transport Committee, being its contribution to the costs of running public transport including the metro, buses, ferry and concessionary travel. Sunderland's payment each year is based on the overall value of the levy, the Joint Committee's decision on the use of its reserves and the relative population of the 5 constituent Tyne and Wear authorities. Whilst the final budget position will not be known until later in the financial year, when the Joint Committee sets its budget for 2019/2020 (expected in February 2019), indications are that there will be a reduction in the levy to be paid by Sunderland due in part to the impact of population change across the Tyne and Wear area. There will be no change to the level of service provided during the year.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: No impact on service levels.	

3.9 Implementation of Hybrid Mail System – (Saving £0.100m in 2019/2020)

The on-going implementation of a hybrid mail system is resulting in a move to a consolidated and digitised mail solution across the organisation, incorporating setting business rules for both incoming and outgoing mail solutions.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	✓
No Equality Analysis Required	✓
Additional Comment: The proposals will be implemented through changes to internal procedures and new contracts freeing up internal resources but will have no impact on the public therefore a full equality analysis is not required.	

3.10 Increased Income - Data Protection Service – (Saving £0.050m in 2019/2020)

The Council's Data Protection Office will enter into a number of Service Level Agreements with a range of clients for which fee income will be generated.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: The efficiency saving does not have an impact on the public therefore no Equality Analysis is required.	

3.11 Maximising fee recovery for professional support and advice services provided by the Transformation and Business Support Team – (Saving £0.062m in 2019/2020)

A number of staff across the Transformation and Business Support Team provide support throughout the lifecycle of various capital projects and funding streams. The service will ensure that income for the team is generated where appropriate from such projects, e.g. New Council Headquarters project.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: The efficiency saving is purely financial in nature and does not have an impact on the public therefore no Equality Analysis is required.	

3.12 Council Wide review of Senior Management Structure – (Saving £1.000m in 2019/2020)

Review of Senior Management Structures across the organisation to streamline arrangements and ensure they are fit for purpose 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 workforce equality implications will be considered as part of the redundancy consultation for this service area	✓
No Equality Analysis Required	
Additional Comment: The saving relates to staffing changes.	

3.13 Undertake a mini review of Fawcett Street property holdings – (Additional cost (£0.022m) in 2019/2020 and saving £0.255m in 2020/2021)

A review will be undertaken in relation to the Council's property holdings and leases in Fawcett Street. The review will focus primarily on lease break opportunities relating to the first floor and selling the second and third floor of the City Library and Arts Centre. This would require the relocation of the services currently housed in Fawcett Street i.e. the Council's Housing Benefits and Customer Services Network but will reduce Council holding costs and lease costs in future years.

Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	✓
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: At present the Council's Housing Benefits and Customer Service Network operate from the ground floor of the City Library and Arts Centre building. As these are heavily accessed by the public. Further Equality Analysis will be required to be undertaken prior to relocation however it is anticipated that a neutral impact will be achieved as the Council will endeavour to relocate the services to equally accessible facilities. The remaining elements of proposals have no impact on frontline services or the public therefore no equality analysis is required.	

Further equality information, can be found at: [Equality Supplementary Information](#)

4. Children's Learning and Skills Proposals – Total Saving £5.000m (£5.000m 2019/2020)

4.1 Financial Discipline - Cost Control – (Target Saving £0.400m in 2019/2020)

Together for Children, which delivers Children's Services for the Council, is committed to be as efficient as possible and, in addition to specific initiatives articulated in separate business cases, it will seek to minimise inefficiencies in its operations.

A comprehensive review of overheads is underway to deliver savings including a review of mobile phone usage, reduction in printing and MFD usage, and use of tele-conferencing and phone-conferencing to reduce travel costs and improve productivity.

Other measures include optimising VAT recovery wherever possible and maximising the use of alternative funding sources to provide financial assistance to children and families.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: This project changes no policies or impacts on any staff terms and conditions. In addition there is no impact on service delivery as the proposals seek to improve financial discipline – no equalities impacts are foreseen.	

4.2 Review of Fostering Service – (Target Saving £1.500m in 2019/2020)

Fostering is a key element of the approach to Looked After Children. Whilst the ultimate goal for children is a permanent arrangement with biological or adopted family members, a strong foster care arrangement can give a child a strong foundation in their life.

As at 14 January 2019, there were 602 looked after children in Sunderland, of which 435 were in Foster Care.

The cost of a foster care arrangement within the city boundaries (internal foster care placements) is less than the cost of a foster care arrangement outside of the city (external foster care placements). In addition the cost of residential placements outside of the city (external residential placements) as an alternative to fostering is significantly more expensive.

This review will generate savings by seeking to optimise Internal Foster Care placements, including by recruiting additional carers, and moving out of more expensive arrangements such as external residential placements and reducing use of external fostering agencies (IFA). It will take into account the current demographics of the Foster Carer cohort and the interaction with the external IFA market including the unit price paid. It will also consider the interdependency with the Residential Care Review and its market.

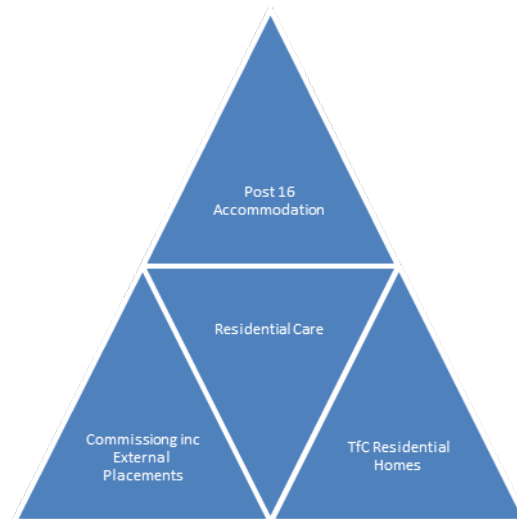
Equality Analysis

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	
Additional Comment: The review recognises that Internal Fostering arrangements are as good a quality as external placements and are much less expensive. A transition from one category to the other will not disadvantage service users and enhancement of the internal capacity will benefit the service by way of enhanced flexibility. Finally, the review will consider how best to support foster carers by way of care, coaching, training and ongoing support. General concerns were raised in the budget consultation in relation to budget reductions in children, learning and skills.	

Further equality information, can be found at: [Equality Supplementary Information](#)

4.3 Residential Care – (Target Saving £2.500m in 2019/2020)

This review will explore the existing provision within the city for: residential children's care, placements outside of the city, Post-16 Accommodation, and will carefully consider the options for future delivery.



The review will look at how children enter care and the ongoing suitability of placements in order to ensure the needs of the child are being met in a child-centred and cost-effective way.

This could include reducing the use of out of city placements where it is not necessary, maximising the use of capacity within own residential care provision, and developing arrangements with partner organisations. The review will also consider the benefits of internal versus external provision, taking into account both cost and quality.

The review will take into account the potential lead-time for the current residential market to change as some mobilisation will be required. In addition, the review will consider the potential for legal challenge in moving any children to a new placement, which may not be considered to be in the best interests of the child and their safety.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	
Additional Comment: This review focuses on the child and will seek to find the right placement for the child as a transition towards the ultimate goal of permanent placement. Only positive outcomes are anticipated. General concerns were raised in the budget consultation in relation to budget reductions in children, learning and skills.	

Further equality information, can be found at: [Equality Supplementary Information](#)

4.4 Sustainable Transport – (Saving £0.250m in 2019/2020)

The delivery of many social care outreach services requires staff to travel to assist service users. In addition transport to / from schools is also provided for pupils with Special Education Needs.

The review will deliver savings of £250,000 by reducing mileage travelled wherever possible, sharing vehicles, use of public transport, avoiding duplicated journeys and a service redesign for some school and/or college transport routes to enhance 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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: No major changes are envisaged simply a reset in the use of personal vehicles when more cost-effective and environmentally friendly alternatives may be available.	

4.5 Trading Opportunities – (Income generated £0.350m in 2019/2020)

Children's Services wishes to optimise income generation to deliver a positive financial and service contribution without detriment to core services.

The optimisation of income generated by sales of support, training and consultancy services to schools and academies across Sunderland and beyond, including services provided by Educational Psychology, Human Resources and Finance.

This will include partnering with other bodies including the University.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: This review seeks to optimise traded services which are already provided and no adverse equalities impacts are foreseen.	

Appendix A (continued)

5. Communities and Culture Proposals – Total Saving £0.924m (£0.924m 2019/2020)

5.1 Previously Agreed Savings Plans - (Saving £0.904m in 2019/2020) (For Information Only)

Council Report 01/03/2017 Appendix B ref	Proposal	2019/20 £'m	2020/21 £'m	2021/22 £'m	Total £'m
	Communities and Culture				
6.1	Culture - Continue to develop a cultural offer for the city	(0.407)	0.000	0.000	(0.407)
6.1	Activities and Events - planned reduction in council contribution as part of leisure JV arrangements	(0.497)	0.000	0.000	(0.497)
	Communities and Culture Total	(0.904)	0.000	0.000	(0.904)

Detail in relation to the above previously agreed budget cuts were contained within Appendix B of item 6 of the Council agenda for the 1st of March 2017, using the reference in the table above. This detail has been reproduced at the following link reflecting any changes to the equality categorisation since approval and a small number of minor implementation changes, and was included as supplementary information on October Cabinet agenda.

[Previously Agreed Proposals - Equality Supplementary Information](#)

5.2 Maximising fee recovery for professional support and advice provided by the Member Support and Community Partnership Team in relation to capital projects and other funding streams – (Saving £0.020m in 2019/2020)

A number of staff across the Member Support and Community Partnership Team provide support throughout the lifecycle of the Community Led Local Development Fund funding stream. The service will ensure that fees for managing this funding stream will be recovered where 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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: The efficiency saving is purely financial in nature and does not have an impact on the public therefore no Equality Analysis is required.	

Appendix A (continued)

6. Environment and Transport Proposals – Total Saving £3.778m (£3.443m 2019/2020, £0.310m 2020/2021, £0.025m 2021/2022)

6.1 Previously Agreed Savings Plans - (Saving £1.919m in 2019/2020 and £0.300m in 2020/2021) (For Information Only)

Council Report 01/03/2017 Appendix B ref *	Council Report 07/03/2018 Appendix B ref **	Proposal	2019/20 £'m	2020/21 £'m	2021/22 £'m	Total £'m
		Environment and Transport				
7.1		Place Management - Commercial Growth via wider trading opportunities	(0.155)	0.000	0.000	(0.155)
7.2		Place Shaping - Commercial Growth via wider trading opportunities	(0.100)	0.000	0.000	(0.100)
7.3		Bereavement Services - Annual increase in charges	(0.250)	0.000	0.000	(0.250)
7.4		Registrars - Review of staffing and annual fee increase	(0.050)	0.000	0.000	(0.050)
7.5		Highways Maintenance - Revised responsive maintenance. Recovery of costs in relation to road traffic accidents	(0.150)	0.000	0.000	(0.150)
7.9		Waste Management - Annual increase in charges - bulky item and green waste collection	(0.110)	0.000	0.000	(0.110)
7.11		Pest Control - Review of service and charges	(0.005)	0.000	0.000	(0.005)
7.14		Highways and Infrastructure - increased income from design activity and permits	(0.150)	0.000	0.000	(0.150)
7.16		Parking Services - Income generation from expansion of measures in the Parking Plan	(0.200)	0.000	0.000	(0.200)
	7.2	Street Lighting - Phase 2 of LED replacements	(0.569)	(0.300)	0.000	(0.869)
7.18		Public Protection and Regulatory Services - Review and integration of functions	(0.095)	0.000	0.000	(0.095)
7.19		Waste Disposal - Reduction in costs by encouraging increased recycling	(0.085)	0.000	0.000	(0.085)
		Environment and Transport Total	(1.919)	(0.300)	0.000	(2.219)

* Detail in relation to the above previously agreed budget cuts were contained within Appendix B of item 6 of the Council agenda for the 1st of March 2017, using the reference in the table above. This detail has been reproduced at the following link reflecting any changes to the equality categorisation since approval and a small number of minor implementation changes, and was included as supplementary information on October Cabinet agenda.

** Detail in relation to the above previously agreed budget cuts were contained within Appendix B of item 6 of the Council agenda for the 7th of March 2018, using the reference in the table above. This detail has been reproduced at the following link reflecting any changes to the equality categorisation since approval and a small number of minor implementation changes, and was included as supplementary information on October Cabinet agenda.

[Previously Agreed Proposals - Equality Supplementary Information](#)

6.2 Place Management Commercial Growth – (Saving £0.110m in 2019/2020)

New business opportunities within Place Management will be developed, including increasing buffet and café refresh business, and increasing trade waste service provision to private sector clients.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: It is considered that an Equality Analysis is not required as this efficiency will be achieved through generating additional income from the delivery of services to a broader range of customers.	

6.3 Place Shaping Commercial Growth – (Saving £0.220m in 2019/2020)

Increased income will be generated within Place Shaping through delivery of the highways schemes for the Council, other authorities, and the private sector as well as recovery of a management fee for the delivery of the road surfacing contract.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: It is considered that an Equality Analysis is not required as this efficiency will be achieved through generating additional income from the delivery of services to a broader range of internal and external customers.	

6.4 Increased income from bulky waste item collection – (Saving £0.015m in 2019/2020)

The Council introduced charges for bulky item 4 years ago. It is proposed that going forward the Council will introduce a modest annual increase in charge alongside the introduction of a wider range of rates for bulky collections based upon the number of items and the nature of the items to be collected.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	
Additional Comment: The services affected are discretionary services which the public can elect to use or not. If a member of the public does not wish to use the service then they can utilise the council's Housing Waste Recycling Centre at Beech Street, however, older people, disabled people and pregnant women may find this alternative more difficult to utilise. It may also impact on people who don't have access to their own transport e.g. lower income groups. Concern was raised about this proposal in the budget consultation but no specific equality concerns were raised.	

Further equality information, can be found at: [Equality Supplementary Information](#)

6.5 Developing a cost effective Pest Control Service – (Saving £0.002m in 2019/2020)

A review of business clients has been undertaken which has resulted in an increase in take up of the pest control service by the commercial sector which will in turn result in increased service income. In addition a modest inflationary increase in charges will also be applied.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: Pest control services are a discretionary service. Since the introduction of charges for the whole range of pest control work, (which was covered by an Equality Analysis in 2015 and showed a negative impact), there has been a decrease in demand for the service from members of the public. The extra capacity available has been utilised to target the service to the commercial sector and thus increase income. Alongside the increased take up in service from the commercial sector a modest inflationary increase in fees will be applied universally but due to the wide range of service providers and products available to the public for pest control, it is felt that no new Equality Analysis is required.	

6.6 Maximising income from Highways and Infrastructure design activity, and reductions to Infrastructure and Transportation budgets – (Saving £0.010m in 2019/2020)

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, and also ensuring that the full costs for all work undertaken to support capital schemes is recovered.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: It is considered that an Equality Analysis is not required as this efficiency will be achieved through generating additional income from the delivery of services to a broader range of customers as well as ensuring that all work undertaken to support capital schemes is charged for accordingly.	

6.7 Street Lighting LED Phase 2 energy cost savings and management fee recovery– (Saving £0.285m in 2019/2020 and (£0.250m) in 2020/2021)

A review of reduced energy consumption as a result of implementation of Phase 2 of the LED street lighting replacement programme has identified an additional £0.035m ongoing saving. There is a one off saving of £0.250m in project management costs which will be drawn down in 2019/2020.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No equality analysis required	✓
<p>Additional Comment:</p> <p>The proposal is to replace, in 2 phases, approximately 48,000 street lamps with energy efficient LED lighting (24,513 for implementation from 2018/19) which will result in lower energy costs and lower carbon emissions. Phase 1 was completed in February 2018 at which time 23,135 units had been converted. Work commenced on Phase 2 of the project in March 2018 and by March 2020, a further 24,513 conventional street lamps are scheduled to be replaced with LEDs. Residents and visitors to areas where the new lighting is 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>Equality analyses were completed at both the pilot phase (published with 2016/17 MTFS papers and phase 1 published with 2017/18 MTFS papers). No disproportionate impacts for any groups were identified in the last equality analysis, which reviewed feedback from the pilot scheme. Feedback from Phase 1 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. Based upon previous equality analysis and the feedback received to date it has been decided that there is no requirement to undertake further equality analysis in relation to this initiative.</p>	

6.8 Review of Public Protection and Regulatory Services expenditure and income – (Saving £0.122m in 2019/2020)

Savings will be made through a review of operational budgets, procurement activity undertaken by the service and the non-filling of vacant posts. In addition the service will introduce modest inflationary increases in fees relating to taxi licensing, and miscellaneous licensing and a greater focus will be applied to ensuring the service obtains income for advice and support provided for capital schemes.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: The review of operational budgets and procurement activity within the service and providing a greater focus on ensuring the service obtains income for advice and support provided for capital schemes will have no impact on frontline service delivery. The increase in fees relating to taxi and miscellaneous licenses will be inflationary in nature and affects business operators rather than the general public therefore no Equality Analysis is required.	

Further equality information, can be found at: [Equality Supplementary Information](#)

6.9 Increased income from digital advertising– (Saving £0.092m in 2019/2020 and £0.108m in 2020/21)

A review of advertising income from large format screens, free standing units (FSUs) and bus shelters will be undertaken to identify suitable sites for further advertising and also to enable the renegotiation of the current FSU \ Bus Shelter contract to generate a better income return for 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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: The review of income from advertising will have no impact on frontline service delivery therefore no Equality Analysis is required	

6.10 Introduction of parking permits for staff at all Council office locations – (Saving £0.117m in 2019/2020)

At present the Council only operates a chargeable parking permit system for those staff based within the City Centre (mainly staff within the Civic Centre and the Fawcett Street offices). It is proposed that a permit system for staff be brought into effect at all other Council offices that have parking provision in place. A part-year saving is assumed in 2019/20 to allow for the scheme to be fully researched and developed prior to an expected implementation from October 2019.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	
Additional Comment: The charge will be applied to staff that want a permit on a sliding scale salary basis with those staff earning lower salaries benefitting from a reduced rate in comparison to those staff on higher salaries. The permit system will be applied on the same basis as that within the City Centre i.e., preference given to those staff who need their car for work related purposes and free parking provision will be in place for those employees that are in possession of a Blue Badge. There is recognition that there is a different gender split at different sites and therefore the change may impact more on males at some sites and females at others. Analysis is ongoing on this issue. Although concerns were raised about this proposal in the public consultation, no specific equality issues were cited by respondents.	

Further equality information, can be found at: [Equality Supplementary Information](#)

6.11 Reduced contribution to Safer Roads initiative – (Saving £0.050m in 2019/2020)

Northumberland Safer Roads Initiative agreement ceased 2 years ago and a revised initiative at a lower cost is currently being formulated.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: Equality Analysis is not required as there will be no impact on the public as the previous initiative has already ceased.	

Appendix A (continued)

6.12 Review of Fleet arrangements and greater use of carpooling – (Saving £0.160m in 2019/2020 and £0.050m in 2020/2021)

A review of vehicles has identified that 2 fewer refuse collection vehicles are required. This coupled with the development of a Service Level Agreement with the lessor of our vehicles, to allow safety inspections to be undertaken by the Council at the Council workshops, will reduce the cost of fleet and associated maintenance costs. In addition it is proposed that a more structured approach to car pool usage will also reduce the amount of car mileage payments for work related visits, whilst also contributing to carbon reduction targets.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: The proposals do not impact on frontline service delivery therefore no equality analysis is required.	

6.13 Review of Standby arrangements across the Council and cleaning standards within Council buildings – (Saving £0.065m in 2019/2020 and £0.005m in 2020/2021)

At present the Council spends approximately £0.150m per annum on standby arrangements. Analysis of the expenditure and standby roles has identified that there is duplication in the amount of cover provided across the Council. It is proposed that a detailed review be undertaken with a view to removing duplication and considering where externalisation of standby support is more appropriate.

At the same time the implementation of revised cleaning standards within low profile Council buildings would generate savings through staffing reductions.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	✓
No Equality Analysis Required	✓
<p>Additional Comment:</p> <p>The proposals do not impact on frontline service delivery therefore no equality analysis is required.</p> <p>The savings generated by revised cleaning standards and the review of standby arrangements however will be delivered through staffing changes therefore workforce equality implications will be considered as part of the redundancy consultation for this service area.</p>	

6.14 Increase in annual fees for allotments – (Saving £0.035m in 2019/2020)

The Council manages a number of allotments across the city and generates income from each tenant that has been allocated a plot. It is proposed that a modest rise in fees for plots be applied.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	
Additional Comment: Equality Analysis has identified, through general service knowledge, that there is likely to be an impact on males and older age groups, as there is a larger proportion of allotment holders in these groups. One respondent raised concerns about the impact of the proposal on older groups in the consultation process.	

Further equality information, can be found at: [Equality Supplementary Information](#)

6.15 Introduction of a Trade Waste Permit Scheme – (Saving £0.025m in 2021/2022)

The Council proposes to introduce a new Trade Waste Permit System which will enable the Council to charge businesses for the disposal of their waste at Household Waste Recycling Centres.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: The new permitting system will purely apply to businesses and has no impact on the service available to the public it therefore does not require an Equality Analysis.	

6.16 Maximise External Funding for maintenance of bowling green provision – (Saving £0.015m in 2019/2020)

The Council currently maintains 15 bowling greens across the City. For 2019/2020 funding will be prioritised from external sources to allow a longer term solution to be found, which could include the bowling clubs increasing membership to contribute to the cost of maintaining the facilities.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	
<p>Additional Comment:</p> <p>During the budget consultation concerns were raised over encouraging others to maintain bowling facilities. This included mention of quality of life and mental health benefit by one respondent.</p> <p>For 2019/2020 funding will be allocated from alternative funding sources on the basis that the Bowling Clubs try to increase participation, particularly for more vulnerable groups e.g. people with learning disabilities who are some of the most socially isolated members of the community.</p> <p>Increasing membership of bowling clubs would lead to a longer term solution to bowling green provision and maintenance, in the sense that it would enable the bowling clubs to contribute more to the cost of maintaining the facilities. The Council will work with Bowling Clubs in the interim period towards the goal of increased membership which would enable an increased contribution for the maintenance and management of Bowling Greens to the Bowling Clubs.</p> <p>Due to the focus on increased participation for more isolated members of the community there will be a positive impact on people with disabilities.</p>	

Further equality information, can be found at: [Equality Supplementary Information](#)

6.17 Review of vacant posts within Place Management Services – (Saving £0.080m in 2019/2020)

A review of vacant posts across the whole of Place Management Services.

Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The saving is from staffing changes and therefore workforce equality implications will be considered as part of the redundancy consultation for this service area	✓
No Equality Analysis Required	✓
Additional Comment: The savings will be generated through a restructure which will not affect frontline service provision therefore no equality analysis is required.	

6.18 Implement a Heating Plan for the Sunderland City Council property portfolio – (Saving £0.150m in 2019/2020)

It has been calculated that putting measures in place across the Sunderland City Council property portfolio to set limits on heating to a maximum of 20 degrees celsius, will generate energy cost 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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: Setting a maximum temperature of 20 degrees Celsius is well within statutory health and safety requirements therefore no Equality Analysis is required.	

6.19 Develop a joint CCTV facility in conjunction with South Tyneside Metropolitan Borough Council – (Saving £0.053m in 2019/2020 and £0.037m in 2020/2021)

Discussions are underway with South Tyneside MBC around the development and staffing of a CCTV facility within the Tyne and Wear Fire and Rescue Service Centre at Barmston, Washington that will be jointly staffed and cover the CCTV requirements of Sunderland and South Tyneside Councils. The implementation of joint staffing arrangements will assist both Councils in reducing their CCTV operational costs.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	✓
No Equality Analysis Required	
Additional Comment: There will be no reduction in the level of CCTV service received by Sunderland City Council the savings will be a result of staffing changes.	

Appendix A (continued)

7. **Health and Social Care – Total Saving £3.688m (£3.095m 2019/2020 and £0.593m 2020/2021)**
- 7.1 **Previously Agreed Savings Plans - (Saving £1.331m in 2019/2020 and £0.143m in 2020/2021)**

Council Report 01/03/2017 Appendix B ref	Proposal	2019/20 £'m	2020/21 £'m	2021/22 £'m	Total £'m
	Health and Social Care				
5.6	Long Term Care (Integrated) - Reduction in Residential & Nursing Home Placements	(1.064)	0.000	0.000	(1.064)
5.8	Long Term Care (Integrated) - Review of non-intensive home support care packages	(0.125)	0.000	0.000	(0.125)
5.9	Long Term Care (Integrated) - SCAS Increase Telecare Charges	(0.142)	(0.143)	0.000	(0.285)
	Health and Social Care Total	(1.331)	(0.143)	0.000	(1.474)

Detail in relation to the above previously agreed budget cuts were contained within Appendix B of item 6 of the Council agenda for the 1st of March 2017, using the reference in the table above. This detail has been reproduced at the following link reflecting any changes to the equality categorisation since approval and a small number of minor implementation changes, and was included as supplementary information on October Cabinet agenda.

[Previously Agreed Proposals - Equality Supplementary Information](#)

7.2 Additional Contributions (Saving £0.250m in 2019/2020)

Recent trend analysis demonstrates clients have more disposable income resulting in a contribution towards their means tested social care costs. This is not an increase in charge.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: This proposal is not a change in policy or increase in charge and therefore an Equality Analysis is not needed.	

7.3 Alignment of Safeguarding Board Arrangements – (Saving £0.080m in 2019/2020)

The Sunderland Safeguarding Children's Board (SSCB) and Sunderland Safeguarding Adult's Board (SSAB) arrangements will be aligned to ensure the support arrangements to both boards are agile and responsive to the board's business needs and priorities. Budget savings can be achieved by the following:

Savings in Safeguarding Adult Reviews (SAR) and Serious Case Reviews (SCR) costs: legislative changes which come into effect in September 2019 will allow more local discretion and flexibility, with a national team taking over significant Children's Reviews, for example, complex abuse reviews. In future, local learning reviews will not require external chairs and authors, therefore significantly reducing costs. In respect of SARs, the SSAB has recently piloted use of partner chairs for reviews saving £400 approx. per day in chairing costs and this will be extended to authors where appropriate.

Savings in printing, administration and Board Independent Chairing costs: Both Sunderland Boards have the same chair, therefore more efficient planning and use of briefings will manage meeting costs. In addition a pilot programme in Children's Safeguarding across Northumbria is looking at greater procedural and strategic joint working which will reduce demand on local Business Units.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	✓
Additional Comment: The approach taken to aligning the safeguarding board arrangements will allow a more efficient way of providing council support to the city's Children and Adult's Safeguarding Board business units. The alignment of the two teams will allow the boards support arrangements to be agile and responsive to the boards' business needs and priorities. This will have no implications for service users.	

7.4 Remodelling of Sunderland Care and Support service delivery (Saving £0.539m in 2019/2020)

Savings associated with service remodelling including the work patterns of staff within Sunderland Care and Support. This will not impact on meeting the assessed needs of those people who receive 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 workforce equality implications will be considered as part of the redundancy consultation for this service area	✓
No Equality Analysis Required	
Additional Comment: Savings will be achieved through staffing changes.	

7.5 Improved Hospital Discharge Response (Saving £0.255m in 2019/2020)

Work is underway with Health partners to remodel the pathway for recovery at home services. This will involve more streamlined pathways to support people to leave hospital and to prevent hospital admission. The review will also look to improve the productivity of the service.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	
Additional Comment: General concerns were raised about changes in health and social care in the budget consultation, including impact on age.	

7.6 Remodelling of Day Care service (Saving £0.300m in 2020/2021)

Remodelling of day opportunities across all client groups. This will potentially involve a new purpose built day centre on a suitable site in the city to replace current schemes alongside increased employment and day time opportunities for people in the community. Although service users' needs would still be met this may be through a different service offer in the future.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	
Additional Comment: General concerns were raised about changes in health and social care in the budget consultation, including impact on age.	

7.7 Evening Service Review (Saving £0.040m in 2019/2020)

The Evening Service, which provides social opportunities, is currently ran by Sunderland Care and Support is a non-assessed service that operates from Washington Multi-Purpose Centre and Leechmere Centre. The service is well used by Sunderland residents but also neighbouring authorities. Although people pay for the service currently it is still subsidised by the Council. This proposal would remove the subsidy to the service.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	
Additional Comment: Discussions are on-going with SCAS on how to remodel the service offer to increase revenue. There is a risk that any increase in charge for attendance at evening social events may mean some customers no longer attend the opportunities. The customer base for the service is almost exclusively people with learning or physical disabilities. General concerns were raised about changes in health and social care in the budget consultation, including impact on age. Concerns about this particular proposal were raised by seven respondents.	

7.8 Expand use of Disabled Facilities Grant (Saving £0.200m in 2019/2020)

Proposal is to use Disabled Facilities Grant (DFG) to support the work of the Home Improvement Agency and Minor Adaptions service that prevent people from requiring more costly forms of service. This means more people will receive a preventative service and the existing DFG service will be maintained.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	
Additional Comment: General concerns were raised about changes in health and social care in the budget consultation, including impact on age.	

7.9 Improved use of technology enabled care (Saving £0.150m in 2020/2021)

Introduce support to address social care needs through the use of assistive technology. This will identify where assessed needs can be met through a technological solution usually as part of a blended care package (traditional care package complemented by use of technology) and where the blended package is more cost effective than a traditional home care package. It is anticipated that further savings will be achieved through the delay in clients requiring a move into residential care and also through an increase in family and carer support roles as the technology will make these easier to achieve.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	
Additional Comment: Roll out of Assistive Technology Programmes: The introduction of appropriate technology will have a positive impact on many of the individuals currently receiving support. Technology will result in increased independence for some clients, particularly those with physical disabilities. It will also offer continued support beyond the fixed-time care package visits. It is likely that family members/carers will be able to more easily support their loved ones and have greater reassurance that they are safe and well. The technology will support improvements in care arrangements which better meet the lifestyle of clients (as evidenced by case studies). All technological solutions will be agreed by the customer prior to introduction. General concerns were raised about changes in health and social care in the budget consultation, including impact on age.	

7.10 Implementation of more efficient care monitoring systems (Saving £0.250m in 2019/2020)

A new electronic homecare monitoring system (CM2000) is being rolled out with homecare providers. The system will enable actual service delivery provided to be monitored and paid for on a more accurate basis, which will result in an overall reduction in cost. This proposal is an extension of a current project where projections have been reworked and further opportunities for savings are available.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	
Additional Comment: Individual service users may pay a lower weekly contribution. General concerns were raised about changes in health and social care in the budget consultation, including impact on age.	

7.11 Maximise external funding and re-modelling Integrated Wellness – (Saving £0.100m in 2019/2020)

The re-provision of Integrated Wellness will be more focused, targeting those with greatest need and those with multiple risks to their health as evidenced by the 2017 Sunderland Health and Lifestyle Survey. The new approach will support behaviour change through a virtual universal offer while providing a more bespoke approach to those who have complex needs and behaviours. It will build capacity in the community to increase the availability of healthy opportunities for all, working with third sector organisations who support those with greatest need and/or address the social determinants of health.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	
Additional Comment: This new approach may result in redundancies if staff in the current services cannot be redeployed by the provider. These redundancies will not, however, be a result of the savings but rather part of the service remodelling following an independent evaluation. General concerns were raised about changes in health and social care in the budget consultation, including impact on age.	

7.12 Children's Weight Management Service – (Saving £0.050m in 2019/2020)

The Children's Weight Management Service at City Hospitals Sunderland is currently under notice that it may end on 30th June 2019. The service has been reviewed and it has been identified that the service now almost exclusively operates at Tier 3 which is not the responsibility of Local Government. In addition, there is also now an opportunity for the 0-19 service to provide much of the training that was originally part of this contract. The remodelling of Integrated Wellness will also support different approaches to helping children achieve a healthy weight. Discussions will be had with the Clinical Commissioning Group (CCG) to ensure that stopping this contract will not impact on the health of children and young people. Should they be unable to fund the clinical services which this contract is helping to fund then it may be necessary to revise the equality analysis.

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 workforce equality implications will be considered as part of the redundancy consultation for this service area	
No Equality Analysis Required	
Additional Comment: This new approach may result in redundancies if staff in the current services cannot be redeployed by the provider. These redundancies will not, however, be a result of the savings but rather part of the service remodelling following an independent evaluation. General concerns were raised about changes in health and social care in the budget consultation, including impact on age.	

Appendix A (continued)

8. Housing and Regeneration Proposals – Total Saving £0.105m (£0.076m 2019/2020, £0.029m 2020/2021)

8.1 Previously Agreed Savings Plans - (Cost £0.041m in 2019/2020) (For Information Only)

Council Report 01/03/2017 Appendix B ref	Proposal	2019/20 £m	2020/21 £m	2021/22 £m	Total £m
	Housing and Regeneration				
1.7	Service Review of Planning Service	(0.074)			(0.074)
3.4	Strategic Acquisitions - Increase rental income	0.145	0.000	0.000	0.145
3.7	Planning - Increased income from a higher proportion of planning pre-application advice	(0.030)	0.000	0.000	(0.030)
	Housing and Regeneration Total	0.041	0.000	0.000	0.041

Detail in relation to the above previously agreed budget cuts were contained within Appendix B of item 6 of the Council agenda for the 1st of March 2017, using the reference in the table above. This detail has been reproduced at the following link reflecting any changes to the equality categorisation since approval and a small number of minor implementation changes, and was included as supplementary information on October Cabinet agenda.

[Previously Agreed Proposals - Equality Supplementary Information](#)

8.2 Review of staffing arrangements within Planning and Regeneration and maximise external funding – (Saving £0.117m in 2019/2020 and £0.029m in 2020/2021)

A review of staffing arrangements will be undertaken in Planning and Regeneration which will remove the requirement to lead upon the Safety Advisory Group, enable a continued career break and remove a vacant post that will generate a more streamlined fit for purpose structure. In addition a greater focus will be applied to increasing income in relation to externally funded project support 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 workforce equality implications will be considered as part of the redundancy consultation for this service area	✓
No Equality Analysis Required	✓
Additional Comment: A majority of the savings are staff related and will be considered as part of the redundancy consultation for the service area. The remaining element of the saving is based upon increased income arising out of supporting a number of externally funded schemes, therefore no Equality Analysis is required.	

EQUALITY AND THE BUDGET PROPOSALS

1 Equality in Decision Making

- 1.1 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.
- 1.2 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 existing proposals (agreed in March 2017) Equality Analysis that supported decision-making are available within the links at Appendix A. In each case the equality position has been reconsidered to ensure the position is current and any planned equality analyses have been completed if appropriate.
- 2.2 Nine new proposals have a completed equality analysis, a further eight have equality analysis planned and the remaining new proposals do not require one. Appendix A outlines the judgements in relation to whether equality analyses are required. Two newly completed equality analyses identify positive impacts, with a further four anticipating positive impacts and one identifying both positive and negative impacts. Proposals acknowledging some negative impact include impact on age (6.4 and 6.14), disability (6.4 and 1.3) and gender (6.10 and 6.14). However, these impacts have either been mitigated as far as possible or are considered low level. It is worth noting that the budget consultation raised general concern about budget cuts in relation to both health and social care and children's services. Both of these by their nature impact on age and disability.

Appendix B (Continued)

- 2.3 Finalised Equality Analyses continue to be sampled as part of a quality assurance process to ensure the relevant considerations are being made in a thorough manner.

3 Key Messages

- 3.1 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 redundancy consultation for the particular service area.
 - 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.

Appendix B continued

3.2 The summary of impacts as at publication date, by portfolio, is outlined below.

	Leader	Deputy Leader	Cabinet Secretary	Children, Learning and Skills	Community and Culture	Env and Transport	Health and Social Care	Housing and Regen
Positive impact identified or anticipated	0	0	0	2	0	1	4	0
Negative impact identified or anticipated	0	0	0	0	0	3	1	0
Neutral impact identified or anticipated (Note 1)	0	0	1	0	0	1	3	0
Both positive and negative impacts identified or anticipated (Note 1)	1	0	0	0	0	0	0	0
Employee implications	1	1	6	0	0	3	1	1
No Equality Analysis needed	2	2	9	3	1	13	2	1
	4	3	16	5	1	21	11	2

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)

3.3 Where Equality Analysis is finalised, there has been a sampled quality assurance process to ensure the relevant considerations are being made in a thorough manner.

3.4 Leader Proposals

The only proposal to impact on equality in this area is in relation to payslips. Both positive and negative impacts were identified. A thorough engagement and pilot process has been undertaken to ensure all staff could access the new system and has helped to minimise any potential equality impact.

3.5 Deputy Leader Proposals

No equality impacts have been identified within the Deputy Leader proposals.

3.6 Cabinet Secretary Proposals

No equality impacts have been identified for Cabinet Secretary proposals.

3.7 Children, Learning and Skills Proposals

Two proposals identify a positive equality impact (4.2 and 4.3) through maximising local placements for looked after children. During budget consultation general concerns were raised by respondents about budget reductions in this area. By the nature of the services, proposals impact on age and disability.

3.8 Community and Culture Proposals

No equality impacts have been identified within the Community and Culture proposals.

3.9 Environment and Transport Proposals

Three proposals within this area identified a negative impact on equality. In relation to charges for bulky waste, it was recognised that it could be harder for older, disabled or pregnant people to dispose of their waste at the council facility. In relation to charging for staff parking, it is recognised that some sites will have a greater concentrations of one gender and therefore may have a disproportionate impact. Following consultation (including discussion with Trade Unions) implementation has been delayed to allow for further research and development of this proposal. In relation to increasing allotment fees, it was acknowledged that this could be more likely to impact on older males. All three of these proposals received negative comments during budget consultation (though only the allotment proposal from an equality perspective). A proposal, in relation to bowling greens has been modified after the consultation period and now identifies positive impacts on disabled people. Concerns were also raised about a proposal to charge for public toilets during consultation; this proposal has now been withdrawn.

3.10 Health and Social Care Proposals

Equality analysis in this area is planned, with four proposals anticipated to be positive, three neutral and one negative. It is worth noting that there was general concern regarding these proposals mentioned during budget consultation. Because of the nature of services affected by the proposals, both age and disability are relevant.

3.11 Housing and Regeneration Proposals

No equality impacts have been identified within the Housing and Regeneration proposals.

4 CONCLUSIONS

4.1 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 considerations into decision making processes and the assessment of proposals.

4.2 When looking at impacts across all new proposals, there are minimal equality impacts, though some considerations are still underway. In addition to those impacts on service users outlined, the group most affected are employees (thirteen proposals). The council continues to take seriously its responsibilities for employee health, safety and wellbeing and will maintain a range of supportive measures for staff and the proper management of health and safety, for example, access to the council's coaching, counselling, occupational health services and equality advisors, and access to the city's Live Life Well services. 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. We anticipate that the composition of the employees affected will reflect the composition of the workforce generally, for example the significant majority being women.

Appendix B continued

- 4.3 Where analysis or consultation has highlighted some equality implications, services and directorates are responsible for assessing how these can be mitigated. 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 2019/2020 Results

1 Background and Context

- 1.1. The budget consultation that took place in 2018 built on a larger scale consultation process carried out in 2016. Therefore the 2018 consultation focussed on new proposals for 2019/2020. Proposals were grouped into Cabinet portfolio areas and respondents were asked to indicate their general level of agreement or disagreement, outlining any reasons for disagreeing. The aim was to capture detail on concerns regarding the proposals including any that could help to inform the Equality Analysis of the proposals.
- 1.2. The consultation was launched with articles in the local media, promotion on the Sunderland City Council website and it was shared with a variety of existing networks including those registered on our on-line consultation portal, voluntary and community sector organisations, the city's equality forums and partner organisations. Partner organisations and groups were asked to cascade the message to their wider networks and share with their employees. The consultation was also promoted to the council's workforce.
- 1.3. A reminder was sent half way through the consultation period.
- 1.4. In addition, briefings to the following stakeholders were given:
 - Trade Unions;
 - North East Chamber of Commerce, representatives of business ratepayers and Sunderland Business Innovation District (BID);
 - Voluntary and Community Sector, including via Area VCS Networks; and
 - Schools Forum.

2 Methodology and analysis

- 2.1 Proposals were grouped into six areas aligned with portfolio responsibilities:
 - 1) Corporate and Support Services
 - 2) Children, Learning and Skills
 - 3) Community and Culture
 - 4) Environment and Transport
 - 5) Health and Social Care
 - 6) Housing and Regeneration
- 2.2 For each of the areas respondents were asked their level of agreement with the proposals made. This was rated on a 5-point scale ranging from 'strongly agree' through to 'strongly disagree'. Respondents who disagreed with proposals were also asked to provide information on the reasons for this. A further question assessed attitudes towards a potential council tax increase. Demographic information was also gathered in the survey. Although this is useful to determine whether the respondents have a similar diversity to the general population of Sunderland, we are unable to present the results by demographic make-up because the numbers in each category are too low to allow meaningful analysis.

3 Response Rates

In total, 230 surveys were completed. Various methods of communicating the survey were assessed as part of the consultation in order to inform future activity. No requests were made for paper surveys.

4 Results

The results present overall percentage agreement to the proposals followed by a summary of the responses given to explain why people disagreed. All illustrative quotes that have been used are written verbatim

4.1 Corporate and Support Services Proposals

Proposals in this area focussed on continuing to place emphasis on reducing costs of corporate and support services. The proposals were listed as follows:

- Reduce staffing, through merging services, reducing management costs, streamlining processes and focusing on statutory and business critical requirements
- Maximise income generation by selling services and recovering costs
- Renegotiate contracts and charges levied on the council from other public sector bodies
- Change working practices such as reducing printing and working more digitally, which also improves our carbon footprint

This area had a significant level of agreement with the planned proposals. More than half (50.1%) of the respondents indicated that they agreed with these proposals, with a further 22.47% in strong agreement.

Corporate and Support Services Proposals		
Response	Count	% Answer
Strongly agree	51	22.46
Agree	116	51.10
Neither agree nor disagree	29	12.78
Disagree	19	8.37
Strongly disagree	12	5.29
No response	3	
Total	230	100.00

Appendix C (continued)

Of the 31 respondents who indicated some level of disagreement with the proposals, 29 provided a qualitative response identifying their reasons. Several of the responses were unrelated to Corporate and Support services, while others were general negative comments about the council without providing any relevant context. Of the remaining data, the key themes that came through were the disagreement with the reduction of staffing, unless this was with regards to senior management or elected members; and a disapproval of the privatisation/selling of services. However, the disapproval of selling services indicates the wording in the survey was unclear as it actually was referring to income generation activity.

“The council has lost enough staff, what staff are left are tired and overworked. This would place even more stress and duress on them. Savings can be made elsewhere such as not paying councillors allowances or sponsoring the tall ships.”

“When you reduce staff through merging services it reduces the time spent and knowledge of staff dealing with enquiries. It has a massive effect on the quality of service provided.”

“Selling off services never works always ends up costing more when you have to buy in service. False economy reducing staffing as staff left have twice as much to do for same salary get frustrated and leave and filling position then becomes impossible”

4.2 Children, Learning and Skills

Proposals relating to children and learning focussed on the services provided by ‘Together for Children’, who run all of Council’s children’s services on behalf of the council. The proposals are outlined below:

- Continuing to reduce the costs of overheads associated with providing Children’s Services, such as , reducing printing, working in a more agile way digitally and encouraging greener travel plans to reduce mileage
- Improving the availability of the right kind of care to meet children’s needs, for example maximising opportunities for children to be placed with local foster carers and in other local accommodation
- Maximising income generation opportunities, such as trading services to schools and academies where that adds value to outcomes for children

Appendix C (continued)

The level of agreement for these proposals is relatively similar to that of Corporate and Support services. Over half of respondents indicated they agreed with the proposals (51.32%). When this figure is combined with those that were in strong agreement, it rises to over two thirds (67.98%).

33	Children, Learning and Skills Proposals			of the
	Response	Count	% Answer	
	Strongly agree	38	16.67	
	Agree	117	51.31	
	Neither agree nor disagree	31	13.60	
	Disagree	24	10.53	
	Strongly disagree	18	7.89	
	No response	2		
	Total	230	100.0	

respondents who disagreed with the proposals went on to leave comments. Over half of these respondents (57.58%) stated, in various ways, that no further cuts should be made to Children's services, arguing it needs more funding as opposed to less. Once more, this was in relation to the quality of service provided. Some respondents were negative about the current services provided in this area.

"You should be investing more in this critical service not reducing the amount! It's a critical service that needs to be provided to a high standard."

"Together for Children is still under considerable pressure to reach it's identified areas of improvement. Cutting budgets any further, will make the required improvements harder to achieve, place further strain on the already stretched staff and more importantly place the children and young people of Sunderland at greater risk of harm."

Further themes throughout this section were limited; most other responses linked to children in care and the fostering system, finding this area to be underfunded already and providing limited support for carers.

"The care of looked after children in this City is very poor quality, disorganised, combative, underfunded and non-child oriented. It should be subject of investment, not cost savings [...]."

"It would be good to maximise local placements especially to facilitate family contact but not just because they are cheaper. If specialist placements are needed they should be obtained. These placements however should be regularly monitored so they are utilised for the shortest appropriate period."

4.3 Community and Culture

This section had only one proposal:

- Recovering costs to support and engage the Voluntary and Community Sector to access European funding for community based projects.

Although this section had a lower level of agreement (61.06%) than previous sections, the amount of respondents who disagreed with the proposals was lower. This is because a quarter of respondents neither agreed nor disagreed (25.66%).

Community and Culture Proposals		
Response	Count	% Answer
Strongly agree	46	20.35
Agree	92	40.71
Neither agree nor disagree	58	25.66
Disagree	15	6.64
Strongly disagree	15	6.64
No response	4	
Total	230	100.00

Of the

13.28% respondents who disagreed with the outlined proposals, 27 individuals explained their reasons. Only one-third of these responses directly related to the proposal set out (33.33%), with the remainder highlighting concerns over the relevance and likelihood of funding following the country's withdrawal from the EU. This indicates that respondents were unsure of the relevance of the proposal in the current climate.

“As brexit is on the horizon the ability to access European funding could be reduced, therefore making this proposal unworkable.”

The relatively limited other responses from this section surround the notion that this proposal suggests relying too heavily on the third sector, arguing it pressures volunteers to reach targets.

“European funding should I hope be on the way out, and voluntary work is great but as a volunteer myself I feel I am being lent on heavily already.”

“It would be unethical to charge the voluntary sector for support provided by the local authority to access/secure non-council funds for the benefit of our local community.”

4.4 Environment and Transport

This area set out the most proposals for change:

- Increasing business opportunities, such as catering, collecting trade waste, digital advertising, selling pest control services to the private sector, and selling environmental and highway services to other councils
- Increase income from bulky waste services, pest control services, allotments and taxi licensing
- Introducing charging for council staff parking at all sites, public toilets and a new trade waste permit scheme
- Reducing the cost of street lighting by installing energy efficient lighting, and one-off management cost savings
- Encouraging others to maintain bowling facilities
- Reducing the number of fleet vehicles
- Developing a joint CCTV monitoring facility with other partners
- Smarter property heating plans in council premises to reduce energy costs
- Reducing staffing costs, through merging services, reducing management costs, car-pooling, streamlining 'standby' processes and focusing on statutory and business critical requirements
- Continuing to renegotiate contracts

The total level of agreement with these proposals stood at 57.46%. Although this figure is not significantly lower than other areas, the level of disagreement is one of the highest (28.07%).

Environment and Transport Proposals		
Response	Count	% Answer
Strongly agree	42	18.42
Agree	89	39.04
Neither agree nor disagree	33	14.47
Disagree	45	19.74
Strongly disagree	19	8.33
No response	2	
Total	230	100.00

Notably, this area encompasses the largest number of proposals. The overall levels of agreement with this area may have been influenced by disagreement with specific elements of the proposal rather than the area as a whole. Of the 64 respondents who disagreed with the proposals, 55 went on to provide reasons, though 18.18% answers were unrelated to the topic and were generally critical of the council. Of the remaining responses, the main source of disapproval was in relation to introducing charges for council staff parking and public toilets, accounting for 36.36% responses. Largely, respondents were very critical of staff paying for parking, with some linking this proposal, alongside the reduction in jobs, to the perception of council staff being treated unfairly.

Appendix C (continued)

"You shouldn't be charging for toilet facilities, it's a basic human right."

"Some of these proposals have my support, but charging your own staff for parking is, I feel, totally inappropriate, as is charging for public toilets. I would also say that you need to exercise great care when charging for waste services. The last time you did this, the volume of fly tipping increased significantly and proved self-defeating [...]"

"Staff have had to endure pay cuts in real terms year on year since global financial crisis. Morale should not be further eroded by charging for parking."

A significant number of individuals had strong concerns about charging for bulky waste collection, proposing that this would lead to further problems regarding fly-tipping, negatively impacting the environment and inducing further economic expenditure. This was among various other components in the proposals that were perceived as causing further issues if implemented.

"The proposals to increase charges for bulky waste services will encourage avoidance, pest control increases will discourage reporting, allotment charging will discourage healthy activity, charging for use of public toilets will discourage visitors and cause distress to older people."

"If you make bulk waste services, allotments and pest control services more expensive people will not use them, which will lead to more fly tipping, unused and derelict allotments...this will undoubtedly lead to more costs in follow up action, also an increase in vermin and spread of diseases [...]"

After the consultation period, the proposal in relation to public toilets was withdrawn. In addition, implementation of staff parking charges has been delayed to allow further research and analysis. The proposal in relation to bowling greens has been developed to try and ensure a more positive impact on disabled people by encouraging more use of the facilities and increasing sustainability in the longer term.

Reducing the number of fleet vehicles and reducing the cost of street lighting through energy efficient installations were not mentioned, potentially indicating agreement with these proposals; a number of respondents adding that energy-saving principles should be applied to the council buildings. Compared to other sections, the written/qualitative feedback is generally lengthier here. It appears that most respondents had multiple issues with the proposals, rather than just highlighting concerns with one or two. Opinions on various issues were interlinked; many reiterating the knock-on effect changes would have across the city.

4.5 Health and Social Care

The proposals in this section were:

- Maximising income generation by selling services, recovering income and charging for services
- Reducing staffing, through merging services, reducing management costs, streamlining processes and focusing on statutory and business critical requirements
- Remodelling the pathway for recovery at home services, supporting people to leave hospital and preventing unnecessary hospital admission.
- Removing the subsidy to the adult social care evening service
- Improved use of technology enabled care and more efficient care monitoring systems
- Renegotiating contracts and remodelling services, such as the Integrated Wellness service providing a more bespoke approach to those with complex needs and behaviours

The proposals for Health and Social Care had the lowest levels of agreement across all portfolios. While 44.49% agreed to with the proposals, 35.68% disagreed,

A total of 61 respondents left feedback on their reasons for disagreeing with the proposals.

Health and Social Care Proposals		
Response	Count	% Answer
Strongly agree	24	10.57
Agree	77	33.92
Neither agree nor disagree	45	19.82
Disagree	46	20.27
Strongly disagree	35	15.42
No response	3	
Total	230	100.00

The largest portion of responses, 44.26%, related generally to Health and Social Care services being essential, with the opinion that any cuts across this sector would considerably negatively affect older people and the most vulnerable. Most often this was in relation to staff reductions and the cutting or merging of services; many respondents expressing the belief that either of these would dramatically reduce the quality of service required for those under its care.

“Reducing the support provided by the local authority to the most vulnerable of our local citizens is morally abhorrent [...]”

Appendix C (continued)

“I think that Sunderland's Health and Social Care Budget supports the most vulnerable in Society and any further reduction in it can only serve to put more strain on services with some people falling through gaps or unable to receive the care necessary for them.”

There were numerous responses specifically relating to the removal of subsidy for evening adult social care. This service was deemed imperative in the aging population of the city.

“This is a critical service that should be protected from cost savings within the ageing generation we live in.”

“For many people using the adult social care evening service this is one of the main social outlets that they have. If subsidies are cut then this may mean that they cannot access the service and could become socially isolated. I have seen first-hand how important this service is for many people and the enjoyment that this can bring to them.”

It is clear that for a significant proportion of respondents there are concerns about reducing costs in this area and the impact this could have on the groups the services are provided to.

4.6 Housing and Regeneration

These proposals focused on reducing costs and maximising income, set out as:

- Bringing empty properties back into use
- Reducing property leasing costs
- Reducing staffing and remodelling services
- Maximising income generation opportunities from project activity

This section gained the most positive feedback with 82.89% in some level of agreement with the proposals, 36.84% of this in strong agreement. Only 8.34% respondents disagreed with the proposals, 18 individuals providing reasons for this.

Housing and Regeneration Proposals		
Response	Count	% Answer
Strongly agree	84	36.84
Agree	105	46.05
Neither agree nor disagree	20	8.77
Disagree	16	7.02
Strongly disagree	3	1.32
No response	2	
Total	230	100.00

Appendix C (continued)

Once again, disagreement was in relation to reducing staffing, a third of respondents (33.33%) arguing that staff should not be cut in this sector.

“Staff in housing have been decimated. Staff need to be increased and not cut with the focus being on preventative.”

As for the other responses, opinions were very mixed. While some actively endorsed redevelopment of empty buildings, others were dubious of the availability and economic value of regeneration work in this way.

“Agree on the whole but returning 40 empty homes back to use will not bring in much revenue although there could be a capital return. Also it takes a really long time to acquire an empty property.”

Several other respondents had strong views on development of housing on ‘green-belt’ land. This was either linked to building elsewhere (e.g. brown field sites) or simply that housing development is too concentrated and unnecessary.

“Stop selling off valuable land for housing development that no one needs and costs money in expanding infrastructure Provide incentives to build on brown field sites e.g land around St Ignatius church in Hendon”

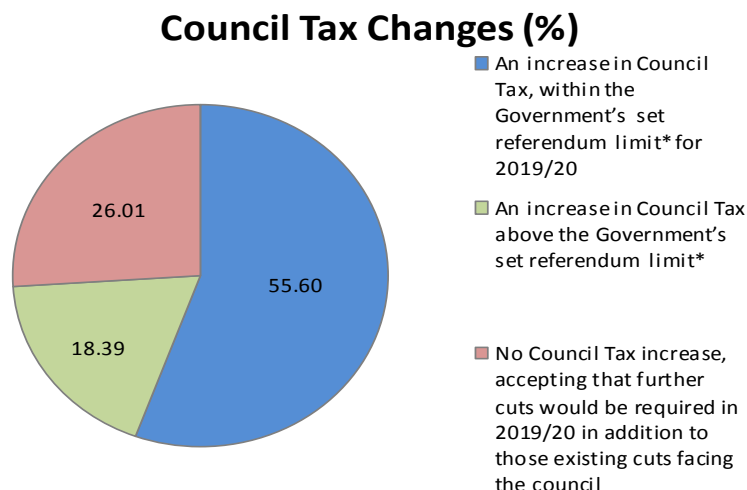
“Housing developments in my area are continuous and it forever feels that new estates etc. are being built on green belt areas. Once these areas are gone, we will never get them back. A program focusing on more empty properties should be a key feature of the future of Sunderland. To many stay empty and need work. These should be recovered and regenerated for people in the city.”

Although these responses help us to understanding why people are concerned about this area of work, the vast majority of respondents were in agreement with the proposals made for Housing and Regeneration.

4.7 Council Tax

The survey outlined the current council tax position in Sunderland in relation to the Government's national threshold. It highlighted that a tax increase would benefit the city by generating a further £3.8million, and without it further cuts to the council's budget would be required. The survey presented three options, two relating to a tax increase and one stating tax should not be increased for 2019/2020. The results are as follows.

□



Just over one quarter of respondents opposed an increase in Council Tax (26.01%), accepting that further cuts would have to be made in 2019/2020. The vast majority supported an increase in Council Tax (73.99%); over half were in favour of this increase being within the Government's set referendum limit (55.60%), while 18.39% supported an increase above the Government's limit.

When asked if respondents had any other suggestions about how else the Council could meet its budget, several respondents expressed their views on Council Tax. Opinions were varied, some arguing that Council Tax is already too high, while others actively endorsed an increase with stricter provisions.

4.8 Further feedback

Upon completion of the survey, respondents were asked for further suggestions on how the council could meet its budget challenge. Results were varied, though key themes have emerged. There were limited comments in relation to Children's services so no particular themes emerged. Comments in relation to Health and Social Care indicated that the elderly should not be jeopardised by cuts to services. From the remaining comments, those mentioned more than four times have been themed into four categories:

- **Corporate and Support Services suggestions**

The main themes in this section were in relation to elected members and management costs. The most dominant suggestion across all sections was to dramatically decrease wages, allowances and expenses of elected members, accounting for 21.74% of responses. 14.13% of respondents suggested that the number of elected members should be reduced from 3 to 2 and 13.04% suggested that senior management should face wage reductions or streamlining.

"Cut the number of councillors and significantly reduce their expenses, allowances and freebies e.g. free tickets to the Empire and free hospitality [...]"

"Reduce excessive salary's of chief exec and senior officers, reduce payments to councillors, reduce the number of senior officers and councillors [...]"

- **Community and Culture suggestions**

The main theme in this area related to the eradication or at least reduction of funding for leisure events (10.87%), respondents directly naming the Air Show, Tall Ships and the Illuminations as 'wasted' funding. Others identified this as a fund-raising venture, highlighting the possibility of charging for these events.

"[...] Stop all unnecessary wasteful expenditure e.g. air shows, illuminations, tall ships and city of culture debacles and firework displays"

"A substantial amount of money could be saved if this "luxury" service was to be removed or at the very least reduced. For example, events such as the Air Show, Illuminations, BIG Walk, BIG Bike Ride etc. could be operated by private event companies (such as those who have very successfully delivered events such as Hadrian's Teepee and Chinese New Year [...])"

While the view was mainly that these events should be cut entirely, a number of respondents argued events were beneficial, but perhaps that they should change in nature.

"Stop the ridiculously expensive and boringly repetitive airshow. Give us a variety of attractions for different interests over the summer instead of 2/3 days of niche boring airshow."

Appendix C (continued)

“Continue to make Sunderland a place to visit! E.g. Tall Ships and Leonardo cartoons!”

Enhancing community involvement, typically through third-sector involvement was a further theme. However, it is worth noting that in other areas of the survey concerns were expressed about reliance and pressure on the voluntary sector.

“Work more with the voluntary and community sector and local trader groups - they all want to help but they need further encouragement”

• Environment and Transport

Suggestions in this area were relatively dispersed, yet all were in relation to the topics covered by the proposals. Interestingly, there were minimal responses in relation to transport; predominantly they were in reference to the environment. The only transport related suggestions were to increase public transport costs.

“Charge a nominal .50p per journey to users of Free Travel Passes.”

There appeared to be endorsement of stricter policies regarding waste collection and efficiency targets. This included the suggestion of charges being brought in, as well as specific in-council schemes to cut costs on energy usage.

“[...] Increase number of fines issued against residents who do not manage their waste correctly Stiffer financial efficiency targets on waste disposal to force the Council to improve its recycling service, especially to business, schools etc”

“[...] Also consider much simpler changes that if made by everyone could result in greater savings such as not having lights in buildings left on all the time and computers switching off after a period of inactivity rather than monitors being left on all night. Encourage more staff to work from home or work remotely out of partner agency buildings when they don't have to office based all the time so as to reduce running costs of council buildings. [...]”

“Turning off street lights (even if they have energy saving led lamps) during quieter times (ie 0000 - 0500). Cutting the grass less often More focus on dog fouling (bringing increased revenue through fines, as well as cleaner streets & parks) More focus on littering (including cigarette butts),(bringing increased revenue through fines, as well as cleaner streets & parks) More focus on parking (illegal parking, poor parking, etc), (bringing increased revenue through fines) [...] Congestion charging for the city centre? Increase charges to exhibitors at Sunderland air show? Increase charges for collection of garden waste bins? Fines for putting recyclable items in green bins? Fines for putting non-recyclable items in blue bins? Fines for leaving any Wheely bin on the street when not a collection day? [...]”

- **Health and Social Care suggestions**

Interestingly, the proposal area that produced the lowest levels of agreement did not receive any suggestions on how to save money in line with the budget. Taking into account previous responses this is likely due to the belief that costs and services should not face any changes or reductions.

- **Housing and Regeneration suggestions**

Comments in this area related to the Civic Centre with differing views on the efficiency of a new building. Some respondents suggested moving to another council-owned building and others thought it would be more cost efficient to retain the current Civic Centre.

"[...] £40 million spent on a new civic centre is ridiculous when there are empty buildings elsewhere in the city."

"Move out of civic centre sell the land and move into existing council owned buildings eg old library in Fawcett street."

A number of respondents linked their suggestions to the proposal on bringing empty properties back into use.

"Increase the number of empty homes available for developers to get more back in use - revenue and dealing with the homelessness problem. Perhaps also look at schemes like Liverpool's £1 house scheme. It seems to have had mixed results but there must be first time buyers out there who would like the opportunity."

4.9 Demographics

Demographic information was examined to gain understanding of who responded to the consultation and to determine whether the respondents were generally reflective of the population. Because the survey was promoted through the city's partnerships and networks it was acknowledged that people may need to respond in a capacity other than as a resident. However, the vast majority of respondents answered the survey as residents of the city (84.65%). This was followed by voluntary organisation representatives (5.12%) and representatives from public sector organisations (3.94%), with other responses in fewer numbers. Some respondents selected more than one option – i.e. resident but also a representative of the public sector.

A large portion of respondents were employed full-time (56.09%), though there was also considerable representation from retired people (30%). Less than 10% were in part-time employment (8.26%), with figures lower across other employment statuses.

Appendix C (continued)

There were more female respondents than male – 52.17% identified themselves as female while 39.57% identified as male (compared to 49% and 51% in the city population). A further 5.22% preferred not to say, while 0.87% stated they identified as ‘other’.

When respondents were asked to identify which age bracket they belong to 40% indicated they were aged 45-59, 30.87% over the age of 60 and 22.17% aged 25-44. A very small number of respondents were aged 18-24 and none were aged below 17 but 12% of the city’s population are in this age range so this is an under-representation. Given the results for employment status indicating a high-level of retired respondents it is unsurprising that this figure for over 60 accounts for almost a third of responses. This is a different age profile of respondents from the last detailed budget consultation which had an under-representation of over 60 year olds (24% of the city’s population).

The vast majority of respondents identified as being heterosexual (79.57%). All other sexual orientations listed were in very low numbers, with 2.17% identifying as bisexual and less than 1% in both gay and lesbian categories. A larger proportion of responses opted not to say (13.9%). Although there are no official figures for lesbian, gay and bisexual residents in Sunderland, current estimates indicate 10% of the UK population are in these groups and so this suggests an under-representation.

Respondents predominantly identified as being White, English/ Welsh/ Scottish/ Northern Irish/ British (91.73%). Although this is unsurprising with a 96% white British population in Sunderland, we are unable to determine whether other ethnicities were appropriately represented because most of the remaining respondents did not declare their ethnicity (6.09%)

When asked what their religious beliefs are, responses were mainly split into two groups – Christian (all denominations) (51.74%) and No Religion (30.87%). A significant number of respondents indicated that they preferred not to say (9.13%). This compares with 70% of the city’s population stating they are Christian and 22% having no religion.

10% disclosed that they had a disability, 77.39% did not and 9.13% preferred not to say. In Sunderland, 5% of the population are economically inactive due to permanent sickness and disability and 23.4% of residents have a lifelong limiting illness.

4.10 Evaluation

Findings from this year's Budget Consultation can only be taken as a general indication of views, and cannot be generalised to the wider population given the response rate.

The main themes that emerged from this budget consultation were that:

- Respondents expressed concerns about reducing staff any further across all service areas, stating many areas are already understaffed and overworked with any further reductions impacting on the quality of service. However, there were suggestions to reduce the number of elected members (typically from 3 to 2) and senior level management.
- There was a belief that elected members/senior management are paid too much, as well as being allocated too many allowances and expenses.
- It was expressed that Children's Services and Health and Social Care should not face cuts and a view that these services need more funding rather than less, with any cuts negatively affecting the most vulnerable (and older generations).
- Generally, views were expressed against all forms of selling off services/privatisation, the belief being that they should remain in the public sector domain. However, this appeared to be in response to a misinterpretation of the wording.
- Charging for services such as waste management would be ultimately detrimental in the future – i.e. charging for bulky waste collection will lead to fly-tipping, enhanced environmental issues and induce more costs to tackle this issue itself.
- Charging for parking and/or public toilets will deter residents/visitors from entering the city centre and therefore enhance the decline of the high street.
- The majority of respondents were in favour of some form of increase in Council Tax 2019/20 (73.99%).

Formal Budget Consultation Meetings held at Sunderland Civic Centre on Monday 21st January 2019.

Representatives for Trade Unions, Business Improvement District (BID) and North East Chamber of Commerce (NECC) attended separate meetings where a presentation was given.

Council Representatives

Cllr Graeme Miller	-	Leader of the Council
Cllr Michael Mordey	-	Deputy Leader of the Council
Cllr Paul Stewart	-	Cabinet Secretary
Patrick Melia	-	Chief Executive
Jon Ritchie	-	Executive Director of Corporate Services
Fiona Brown	-	Executive Director of People
Peter McIntyre	-	Executive Director of Economy & Place
Les Clark	-	Chief Operating Officer – Place
John Rawling	-	Head of HR & OD

Trade Union Representatives

Diane Peacock	-	Unison
Lisa Foot	-	Unison
George Pearson	-	Unison
David Riddle	-	GMB
Graham Avery	-	GMB
John Kelly	-	Unite

Business Improvement District (BID) Representative

Sharon Appleby

North East Chamber of Commerce Representatives

Paul Carbert	-	NECC
Natasha McDonough	-	MMC Ltd
Claudia Binder	-	Liebherr
Trevor Hines	-	Station Taxis
Clare Langley	-	Sunderland University

The Executive Director of Corporate Services, Jon Ritchie (JRit) gave a brief presentation highlighting context and headline points.

JRit concluded his presentation and invited questions and comments from each group.

Questions and Comments

- 1 Diane Peacock (DP) from Unison expressed concerns regarding car park charges and the impact it will have to members of staff which other Trade Union representatives agreed and gave their views. John Kelly (JK) from Unite asked if it is a proposal.

Appendix D (Continued)

It was confirmed that it is and will be dealt with under the Environment and Transport portfolio. Proposals are currently being drawn up by the Car Parking Team and further consultation will take place.

- 2 David Riddle (DR) from GMB asked why Together for Children are to move to the Stansfield Centre at a cost of over £1m when they should stay until the move to Vaux site.

Officers confirmed that they did not recognise the £1m estimate of the cost of the move to the Stansfield Centre and that the specific cost would be significantly less than that. Further, it was noted that this move was linked to a wider budget proposal regarding the upper floors in Fawcett Street, which can be vacated with staff, for example the Revenues and Benefits teams, being relocated to the Civic Centre. Overall, these moves will lead to savings.

- 3 JK asked how the funding received for Potholes will be used.

Les Clark (LC), Chief Operating Officer, confirmed that the funding is being used efficiently to ensure that the benefit of the extra funding is maximised. This will include transferring some other planned works into next financial year's spend, leading to an additional programme for Highways in 2019/20.

- 4 Sharon Appleby (SA) from the BID welcomed that there will be funds to invest in the City, with which she would assist with the Council on engaging with businesses. She asked what feedback had been received from the public consultation.

JRit confirmed that the response rate from the general public was lower than the previous year, which was disappointing but also consistent with the experience of many local authorities. Often the responses, both formally through the consultation and through the local media, was focussed on specific topics that were of interest to the respondents; for example the proposals around public toilets had attracted the attention in the Sunderland Echo.

JRit welcomed SA assistance on getting businesses on board with the City Plan.

- 5 Natasha McDonough (NMc) from MMC enquired how Brexit would affect the Business Retention Relief.

JRit responded that that Central Government had not confirmed what the impact of a "no deal Brexit" would be, but that the Chancellor, in the October Budget announcement, had highlighted that it may be necessary to revisit the Budget position in light of the UK leaving on this basis.

Appendix D (Continued)

- 6 Paul Carbert (PC) of NECC enquired on the detailed plans for the Civic Centre. Clare Langley (CL) of Sunderland University asked about the value arising from moving staff to a new location.

Peter McIntyre (PMc), Executive Director of Economy and Place explained that the plans include the creation of a Public Sector Hub to be built on Vaux site. The scheme is shortly to be submitted for planning approval and further reports will be taken to Cabinet and Council in the coming months for approval. The building is intended to house a range of public sector bodies, with the Council currently expected to take around 73% of the floor area.

The current site after decommissioning will be demolished and advertised as a site for housing which could facilitate a new community of 4-5,000 people, including a range of housing provision.

Patrick Melia (PM) the Chief Executive added that a range of public sectors would come together in one building to provide better services for residents as well as changing the culture and efficiency of the organisation. It will also act as a catalyst for further development of the Vaux site.

- 7 NMc enquired about the investment to support the growth of the local economy through Make it Sunderland brand and Business Investment Team.

JRit confirmed that the Business Investment Team's budget has been extended into 2022/23 to support businesses to move to the city. The new Beam building on Vaux will bring people into the city and create job opportunities. PM highlighted the City Plan objectives of creating a Dynamic, Healthy and Vibrant City where all residents access jobs through growing businesses in the city.

- 8 PC enquired on the Apprenticeship Levy.

JRit explained that the Council acknowledged that the full benefit of the scheme has not been gained, which is consistent with the position for many organisations nationally. The Council is revisiting its approach to maximise the benefit of working with other businesses, for example to utilise the new rules regarding how the Council's levy can be transferred to partner organisations.

- 9 Trevor Hines (TH) of Station Taxis enquired about the hotel on Keel Square and raised concerns on the potential changes in Fawcett Street.

PMc said that there is the potential for investment for up to 3 new hotels for Seaburn and City Centre, with proposals currently under review with a range of partner organisations.

Appendix D (Continued)

The plans for the changes in the Fawcett Street facilities are being considered as part of the wider plan for the city centre, including the new Public Sector Hub discussed earlier in the session.

Cllr Michael Mordey (MM) also highlighted the investment on Mackies Corner and updated on progress.

- 10 PC asked CL for her views regarding the sufficiency of accommodation for students in the City.

CL explained that a significant proportion of their student population are mature and local students, so there is not as much demand for accommodation compared to other universities. The challenge around providing the right job and skill mix in the city is a key area of focus for the University, the Council and their partners. Developments such as the new Medical School will help drive this area forward in coming years.

Scrutiny Coordinating Committee Consultation on the Budget 2019/2020

Comments of Scrutiny Coordinating Committee

1. On 6th December 2018, Scrutiny Coordinating Committee considered the Revenue Budget Proposals 2019/2020 – 2021/2022 report which was referred from the November Cabinet meeting.

Scrutiny Coordinating Committee commented as follows:

“The Scrutiny Coordinating Committee continues to acknowledge the challenging financial situation that the Council operates within and notes the continued work being undertaken to meet the budget funding gap and is satisfied with the content of the report.”

2. On 17th January 2019, Scrutiny Coordinating Committee considered the Revenue Budget 2019/2020 – 2021/2022 report which was referred from the January Cabinet meeting.

Scrutiny Coordinating Committee commented as follows:

“The Scrutiny Coordinating Committee notes the content of the report and is satisfied with the update provided on the impact of the local government finance settlement on the Council’s budget setting, acknowledging that a number of uncertainties still remain.”

Proposed Council Tax for 2019/2020

As detailed in the Council Report – Determination of Council Tax 2019/2020

Medium Term Financial Strategy 2019/2020 – 2021/2022

Report of the Executive Director of Corporate Services

1 Purpose of the MTFS

- 1.1 The MTFS is a key part of the Council's Budget Policy framework. It 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.
- 1.2 The current MTFS sets out the strategic financial position and financial direction of the Council over the next three 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 three year period. 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.

This summary draws out the current financial position and underpinning strategies and actions being followed to address the budget challenge. The MTFS is underpinned by the Efficiency Strategy set out as Appendix Gi.

- 1.3 While the following MTFS reflects the settlement data for 2019/2020 released by Government, there is considerable uncertainty over the impact of the Spending Review 2019, Fair Funding Review and move to 75% Business Rates Retention in 2020/2021. The strategy will be kept under review and updated as further details emerge.
- 1.4 The Medium Term Financial Strategy provides background planning assumptions covering:
- National funding outlook (section 2)
 - Local funding position (section 3)
 - Government funding (section 3.1 - 3.5)
 - Locally raised income - Council Tax and Business Rates (section 3.6)
 - Spending pressures and commitments (section 4)
 - Summary overall budget gap (section 5)
 - Addressing the budget gap and Efficiency Strategy (section 6)
 - Capital and prudential borrowing (section 7)
 - Reserves and balances, and Reserves Policy (section 8)
 - Budget consultation and equality analysis (section 9)
 - Risk assessment (section 10)
 - Conclusion (section 11).

2 National Funding Outlook

2.1 The Chancellor delivered his Budget Statement on 29th October 2018, providing an update on the economic climate, including growth and borrowing projections. Key announcements affecting 2019/2020 are reflected in section 5 of the main budget report for 2019/2020. Key announcements affecting the Medium Term position for local government were:

- Business rates relief for retailers in England with a rateable value below £51,000 will result in a reduction of up to one third in business rates payable for 2019/2020 and 2020/2021.
In addition 100 per cent business rates relief for all public lavatories will be introduced from 2020/2021.
Local Authorities are to be fully compensated through Section 31 grant for these policy decisions.
- The Government has launched a new Future High Street Fund to invest £675m to support local areas to develop and fund plans to make their town and city centres fit for the future. This fund will be available from 2019/2020 via a bidding process to the MHCLG.
- Additional funding of £240m in 2018/2019 and £240m in 2019/2020 for adults social care to help alleviate winter pressures. In addition, the budget provided for a further one-off allocation of £410m in 2019/2020 for adults and children's social care. Individual authority allocations were confirmed as part of the Local Government Finance Settlement.

2.2 The economic outlook could be influenced significantly by the response of households, businesses and financial markets to developments related to the process of EU withdrawal and the risk of a “no-deal” Brexit.

The Chancellor made clear that should a “no-deal” Brexit materialise then the spring statement 2019 may need to revert to a full Budget with a “different strategy”. As such, funding announcements made are predominantly one-off in nature with no certainty as to any additional funding post 2020/2021 and the accompanying spending review.

2.3 In January 2019, the government published its long term plan for the NHS which aims to improve the quality of patient care and health outcomes. It sets out how the £20.5 billion budget settlement for the NHS, announced by the Prime Minister in summer 2018, will be spent over the next 5 years.

The plan focuses on building an NHS fit for the future by:

- enabling everyone to get the best start in life
- helping communities to live well
- helping people to age well

The funding implications of these plans for Local Government are not yet set out and it is hoped that this will become clearer once the Social Care Green Paper is published. In January 2019, the Health Secretary informed the House of Commons that the paper will be published before April 2019.

2.4 Economic Outlook

- 2.4.1 The Bank of England's (BoE) Monetary Policy Committee (MPC) voted at its August 2018 meeting to increase the Bank Rate by 0.25% to 0.75%, the highest level since April 2009. The MPC also noted that, were the economy to continue to develop broadly in line with its projections, interest rates were likely to increase further over the forecast period to return inflation to the 2% target. However they stressed that any future increases in Bank Rate are likely to be at a gradual pace and to a limited extent.
- 2.4.2 Separately, in his 2018 Autumn Budget on 29th October, the Chancellor announced the end of austerity based on improved financial forecasts of 1.6% GDP growth in 2019 (1.4% in 2020). Public Sector Net Borrowing forecasts have also been updated, with the 2019/20 deficit of £31.8bn now expected to be below 1.4% of GDP. Annual Net Borrowing is projected to fall each year to around £19.8bn in 2023/24, with the total Public Sector Net Debt falling to 74.1% of GDP in 2023/24 from a peak of 85.2% in 2016/17.
- 2.4.3 At its meeting on 19th December 2018, the MPC voted unanimously to maintain Bank Rate at 0.75% although they noted that risks to growth had increased and that shifting expectations about Brexit among financial markets, businesses and households could lead to greater-than-usual short-term volatility in UK data. The BoE Governor has also warned that a No-Deal Brexit could see the pound plunge and trigger a worse recession than the financial crisis in 2008.
- 2.4.4 Economic forecasting is difficult, with Brexit and other external influences weighing on the UK and will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year.

3 Local Funding Position

3.1 Core Spending Power

3.1.1 This measure includes:

- Settlement Funding Assessment (SFA) comprising Revenue Support Grant (RSG), Retained Business Rates; and Top Up Grant;
- Compensation for the under-indexing of the Business Rates Multiplier;
- New Homes Bonus;
- Local Government share of the Improved Better Care Fund;
- Adult Social Care Winter Pressures Grant;
- Adult and Children's Social Care Grant;
- Council Tax Income - Government figures assume a 6% increase in the precept to support social care over the three years 2017/2018 and 2019/2020.

Appendix G (continued)

3.1.2 In December 2018, as part of the Provisional Local Government Finance Settlement 2019/2020, the government provided details of their assumptions on Core Spending Power for 2019/2020. The detail for Sunderland over the CSR 15 period is set out below.

	2015/16 £ m	2016/17 £ m	2017/18 £ m	2018/19 £ m	2019/20 £ m
Settlement Funding Assessment*	150.7	135.8	124.9	118.8	112.0
Compensation for under-indexing the business rates multiplier (Section 31 Grant)	1.1	1.1	1.2	1.8	2.7
Council Tax of which;					
<i>Council Tax Requirement excluding parish precepts (including base growth and levels increasing by CPI)</i>	78.3	81.7	85.6	88.9	93.5
<i>additional revenue from referendum principle for social care</i>	0.0	1.6	4.2	6.2	7.5
Improved Better Care Fund	0.0	0.0	9.3	13.0	16.6
New Homes Bonus	3.4	4.6	3.7	3.2	2.9
Adult Social Care Support Grant	0.0	0.0	1.6	1.0	0.0
Winter Pressures Grant	0.0	0.0	0.0	1.6	1.6
Social Care Support Grant	0.0	0.0	0.0	0.0	2.7
Sunderland Total Core Spending Power	233.5	224.8	230.5	234.5	239.5

Change over the Spending Review Period (£ millions) 6.0

Change over the Spending Review Period (% change) 2.6%

Memorandum - National Change Over Spending Review Period 3.8%

SFA can be analysed as follows	2017/18	2018/19	2019/20	change from 2017/18 to 2019/20	
	£'m	£'m	£'m	£'m	%
Top up grant	40.699	42.059	43.023	2.324	5.7%
Business Rate Share - Government assumed	39.491	40.541	41.470	1.979	5.0%
Revenue Support Grant	44.712	36.157	27.507	-17.205	-38.5%
Total	124.902	118.757	112.000	-12.902	-10.3%

Memorandum: National Position

-18.70%

3.1.3 This is the final year of the four year settlement offer for the period to 2019/2020. The Council is one of 97% of councils to have accepted the four year settlement offer which provides a guaranteed minimum Revenue Support Grant envelope through to 2019/2020.

3.1.4 The following is noted from the above tables:

- Core Spending Power will increase by 2.6% over the spending review period (2015/2016 to 2019/2020) period which is lower than the national average increase of 3.8%. This reflects the inability for councils with low council tax bases such as Sunderland to raise significant additional income from council tax.

Appendix G (continued)

- Within Core Spending Power, Sunderland's Settlement Funding Assessment will reduce by 10.3% (£13m in cash terms) over the period 2017/2018 to 2019/2020 compared to a national average reduction of 18.7%. While the government has made some improvements to the fairness of the funding formula (evidenced by the fact the Council will incur lower cuts in SFA than the national average), once local resources are also taken into account (Core Spending Power) then the more deprived areas with lower local resources lose out disproportionately from the current funding system over the Spending Review period.
- Within the SFA, the amount of Revenue Support Grant to be received by Sunderland is reducing by 38.5% from 2017/2018 to 2019/2020 compared to a national average reduction over the period of 39.9%.
- Government figures include an assumption that the council will increase council tax in line with the referendum limit and adopt the social care levy in full over the three years.

3.1.5 Figures beyond 2019/2020 have not been published by Government, although they have confirmed their intention to implement the impact of the Spending Review 2019, the Fair Funding Review and the move to 75% Retained Business Rates in 2020/2021.

3.2 Top Up Grant / Tariff

A system of Top Up grant and Tariffs allows locally retained Business Rates to be redistributed from high business yield authorities to low yield authorities.

Sunderland is a Top Up council, receiving £43.023m in 2019/2020. Top Up grant is increased annually by inflation.

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 and sustainability.

3.3 Section 31 Grant - Business Rates

The Government has made a number of changes to the business rate retention system since its introduction in 2013/2014, including capping of annual increases, the doubling of Small Business Rate relief and the retail relief announced as part of the 2018 budget statement.

The Government will continue to compensate councils for any consequential shortfall in income through Section 31 grant. The amount of grant due to the Council is dependent on the NNDR1, submitted to Government at the end of January.

3.4 Other Core Grant and Revenue Funding

3.4.1 Improved Better Care Fund (IBCF)

The Council's IBCF grant will increase by £3.6m in 2019/2020 to £16.6m. This allocation includes the reducing 'Additional IBCF Social Care' allocations awarded in 2017/2018 which has tapered over the three year period with a reduction of £2.220m factored into the 2019/2020 allocation.

The tapering element of IBCF funding can be used solely for adult social care purposes and be for additional purposes to existing plans. As such the funding is assumed to have a nil net impact for overall council budget planning purposes as additional plans are brought forward to utilise the funds. Proposals for the use of the additional IBCF funds for 2019/20 will be brought forward as part of the 2019 Better Care Fund submission for approval by the Health and Wellbeing Board.

3.4.2 New Homes Bonus

The Council's indicative new homes bonus will reduce from the £3.2m received in 2018/2019 to £2.9m in 2019/2020.

Government have reaffirmed their intention to revisit New Homes Bonus as a means to incentivising the number of new homes built, and therefore there is no certainty over the amount of New Homes Bonus funding to be received beyond 2019/2020.

3.4.3 Winter Pressures Grant and Social Care Grant

While Government have included additional funding of £1.568m winter pressures funding and £2.678m social care grant funding within the core spending power calculation for 2019/2020, there has been no indication from government that this funding will be added to the overall funding available following the spending review. At this stage it is therefore assumed that this funding is not recurrent within the MTFS.

3.4.4 Public Health Grant

The Public Health Grant for 2019/2020 has been confirmed at £22.768m.

Following government consultation on whether councils should fully fund public health spending from their retained business rates receipts, the government have subsequently announced that Public Health grant is to be funded through retained business rates from 2020/2021.

Appendix G (continued)

In May 2018, the government working group looking at Public Health allocations indicated they were 'minded to' adopt the 2013 recommendations of the Advisory Committee on Resource Allocation, the "ACRA" methodology, to the allocation of Public Health funding, and to roll the funding into the overall funding position for councils. When this methodology was previously consulted upon in 2016, indications were that Sunderland, along with most other North East councils, would lose a substantial proportion of funding. Applying the 2016 data to the indicative allocations for 2019/2020 would result in a loss of circa £5.7m to Sunderland in 2020/2021.

While the above is a significant concern, at this stage there is no indication of the impacts of any other aspects of the fair funding review which might equally benefit the council e.g. as a result of deprivation indicators.

3.4.5 Pooled Better Care Fund

Pooled Better Care Fund continues to be included in Health allocations. For the purposes of medium term planning no changes are assumed to the level of available pooled Better Care funding, with the funding ringfenced for the purposes of Health and Social Care commitments.

3.4.6 Housing and Council Tax Benefit Administration and Local Council Tax Support Administration Grant

There have been no announcements on future funding levels, however provision for a further reduction in funding of 10% per annum has been included within the MTFS in line with reductions experienced in recent years. Given other reductions arising from welfare reform there is a potential that the reduction could be more than this. The position will be kept under review and the MTFS updated as more details emerge.

3.5 Schools Funding

In light of the significant progress made in relation to the National Funding Formula, and in order to continue to support a smooth transition, the DfE has confirmed that local authorities will continue to determine local formulae in 2020/2021.

Cabinet agreed in January 2019 to the principles proposed by the Sunderland Schools Forum for the 2019/2020 Sunderland local funding formula. The National Funding Formula (NFF) to be implemented with the following local adjustments to protect Sunderland schools:

- The Free School Meal Indicator will now be used in the Sunderland Formula, although at a reduced rate of £210 per pupil (NFF £440).
- Sunderland Lump Sum value of £150,000 will reduce to £130,000.

These principles will be used to finalise the local formula.

3.6 Locally Raised Income

3.6.1 Council Tax

- In the 2019/2020 provisional settlement the Government announced a referendum threshold for 2019/2020 at 2.99%. In addition Social Care councils are able to levy a social care precept.
- The Adult Social Care precept has an overall limit of a 6% increase across the three years to 2019/2020, with no one year to exceed 3%. Sunderland raised the Social Care precept by 3% in 2017/2018, 2% in 2018/2019, and proposes to raise by 1% for 2019/2020.

At this stage there is no indication of the government approach to council Tax increases or Social Care levy beyond 2019/2020.

Decisions on application of options available will be made as part of the detailed budget planning on an annual basis.

3.6.2 Local Council Tax Support Scheme

The current council tax support scheme was introduced in 2013/2014, with only minor changes since that time. The 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. The scheme will be subject to review to ensure its continued appropriateness in the current economic climate.

3.6.3 Business Rates

3.6.3.1 Current funding mechanism

Under the current funding mechanism, 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. The MTFS takes into account prudent growth in the base income position, based on anticipated new developments over the period.

3.6.3.2 Risk arising from Appeals

The outcome of valuation appeals continues to be volatile. Whilst good progress has been made, a significant number of lodged appeals remain outstanding with the Valuation office. Under the current system, 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. The government introduced a new appeal system from April 2017 with a check, challenge and appeal system intended to make appeals quicker and more efficient and to reduce speculative appeals. To date, this has significantly reduced the number of appeals lodged against the new 2017 list, however, uncertainty remains as to whether this trend will continue.

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, business rates collected would have to fall by £12m (2018/2019 position) before the threshold is triggered and the Council receives any safety net funding from Government.

3.7 Impact of Spending Review, Fair Funding Review and 75% Retained Business Rates

The outcome of the proposals to change the way local government is funded with 75% retention of business rates by 2020/21, full cessation of RSG, and a transfer of responsibilities which will need to be funded from retained business rates will be critical to the future sustainability for Council services.

The government has set up a number of working groups to look at the 3 key strands, overseen by the Business Rates Retention Steering Group established by the DCLG, the Local Government Association (LGA) and representatives from interested parties. The three key strands are:

- Needs and Distribution Working Group – to carry out a fundamental review of relative need and fair funding principles.
- Systems Design Working Group – to look at mechanisms needed to set up and run the proposed 75% business rate retention system covering issues such as redistribution, appeals, safety net and split tiers of local government.
- Responsibilities Working Group – to review the potential new burdens that the new system can fund so that it is fiscally neutral e.g. Public Health, RSG etc.

The government has recently issued two consultations, in relation to fair funding and Business Rate retention, both of which close on the 21 February. Current timescales suggest a broad outline of the new system will be published in the Spring of 2019, with indicative figures available Summer 2019.

4 Spending Pressures and Commitments

- 4.1 Spending pressures and commitments are detailed in section 6 of the Cabinet Report 'Revenue Budget and Proposed Council Tax for 2019/2020 and Medium Term Financial Strategy 2019/2020 to 2021/2022.
- 4.2 In addition, the outcome of the next Triennial Actuarial Review of the Local Government Pension Scheme will be effective from April 2020. The potential impact on the council budget will be kept under review as details emerge and provision included within the MTFS as appropriate.
- 4.3 The cost pressures and commitments across the MTFS period are summarised below:

	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m
Spending Pressures and Additional Investment				
Pay, Prices and Other Pressures including Contract Inflation	7.77	8.33	8.91	25.01
People - Adults Demand Pressures	0.50	0.50	0.50	1.50
Children's Social Care Pressures	8.50	0.00	0.00	8.50
Port Trading Pressure	0.15	0.00	0.00	0.15
Utilities - Inflationary Pressure	0.50	0.00	0.00	0.50
Member Priority - Community Development	0.25	0.00	0.00	0.25
Adult Social Care Ongoing Demand Pressure from 2018/19	0.61	0.00	0.00	0.61
Domestic Violence - Use of Social Care Grant	0.50	(0.50)	0.00	0.00
Short Term Support Services - Use of Social Care Grant	0.30	(0.30)	0.00	0.00
SCAS - One-off Pressures	1.25	(1.25)	0.00	0.00
Derwent Hill - Income Pressure	0.17	0.00	0.00	0.17
Member Priority - Area Committees	0.50	0.00	0.00	0.50
Member Priority - Events	0.50	0.00	0.00	0.50
City Centre Streetscene	0.30	0.00	0.00	0.30
Debt Charges	0.00	3.50	2.50	6.00
Pressure from one-off Use of Reserves	2.52	0.00	0.00	2.52
Total On-Going Pressures	24.32	10.28	11.91	46.51

5 Summary Overall Budget Gap 2019/2020 to 2021/2022

- 5.1 In relation to 2020/2021 and 2021/2022 at this stage no information has been released by government on funding levels either on a national or individual council basis. Therefore for the purposes of preparing an MTFS at this stage, an assumption has been made that when a revised system of 75% retained business rates is implemented and the impact of the fair funding review and spending review 2019 are fully worked through, Government will take action to ensure a 'status quo' impact on the funding position for each council through the top-ups and tariffs system, to ensure no detrimental impact on each councils overall funding position.

Appendix G (continued)

- 5.2 Taking into account the issues set out in section 3, and section 4 and the assumptions at 5.1, the overall position for funding changes for Sunderland and spending pressures and commitments is assumed as set out below:

	2019/20	2020/21	2021/22	Total
	£'m	£m	£m	£m
Funding Changes	1.05	7.12	(0.20)	7.97
Total Ongoing Spending Pressures	24.32	10.28	11.91	46.51
Total Budget Gap	25.37	17.40	11.71	54.48

- 5.3 Based on high level assumptions, the on-going savings requirement for 2019/2020 to 2021/2022 is in the region of £54.5million. However, this position is subject to change given the significant uncertainties in the funding system at present including future funding announcements, the outcome of the Spending Review, Fair Funding Review and the move to 75% business rates retention.

6 Addressing the Budget Gap and Efficiency Strategy 2019/20 to 2021/2022

- 6.1 As reported to Cabinet in November 2018, plans have been developed to seek to address the funding gap in 2019/2020. At this stage savings plans have been developed totalling £18.7m through to 2021/2022 as set in the table at 6.2 below. Further detail on the savings plans is set out in Appendix B of the main Budget report and further plans will be developed to address the remaining 2020/2021 to 2021/2022 budget gap.
- 6.2 In addition, the following table shows:
- the Budget proposals and MTFS assume the use of one off reserves of £1.25m in 2019/2020 to support one-off budget pressures.
 - Council tax and social care levy increases in line with referendum principles would generate a further £7.78m of resources to support the budget position over the three years to 2021/2022. While decisions on council tax and social care precept increases will be taken as part of the budget process on an annual basis.
 - Assumed increases in the Council tax and Business rate bases as a result of new home growth and regeneration activity over the three years will further support the budget by £6m.

Appendix G (continued)

Taken together, this will reduce the overall budget gap to £22.04m by 2021/2022.

	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m
Government Grant Changes	1.05	7.12	(0.20)	7.97
On-going Spending Pressures	24.32	10.28	11.91	46.51
Total Gross Funding Gap	25.37	17.40	11.71	54.48
Savings Proposals to meet funding gap:				
Leader (Appendix A.1)	(0.21)	0.00	0.00	(0.21)
Deputy Leader (Appendix A.2)	(0.07)	0.00	0.00	(0.07)
Cabinet Secretary (Appendix A.3)	(4.55)	(0.34)	0.00	(4.89)
Children Learning and Skills (Appendix A.4)	(5.00)	0.00	0.00	(5.00)
Culture and Communities (Appendix A.5)	(0.92)	0.00	0.00	(0.92)
Environment and Transport (Appendix A.6)	(3.44)	(0.31)	(0.03)	(3.78)
Health and Social Care (Appendix A.7)	(3.10)	(0.59)	0.00	(3.69)
Housing and Regeneration (Appendix A.8)	(0.08)	(0.03)	0.00	(0.11)
On-Going Funding Gap after previously approved budget cuts and additional savings proposals	8.01	16.13	11.68	35.82
Assumed Council Tax Increase (inc Social Care levy)	(3.80)	(1.97)	(2.01)	(7.78)
Council Tax Base Increase	(0.43)	(0.50)	(0.51)	(1.44)
Business Rates - Base and Inflationary Increase (inc one-off 2017/18 collection fund surplus)	(2.53)	(0.64)	(1.39)	(4.56)
MTFS Gap @ February 2019 before one-off use of Resources	1.25	13.02	7.77	22.04
Use of One-Off reserves to support SCAS One-off Pressure	(1.25)	0.00	0.00	(1.25)
Pressure from one-off use of reserves in previous year	0.00	1.25	0.00	1.25
MTFS Gap @ February 2019 after one-off use of Resources	(0.00)	14.27	7.77	22.04

- 6.3 The savings plans reflected in 6.2 and set out at Appendix A of the main budget report involve further transforming service delivery, reducing service commissioned activity and prioritising resources to support statutory requirements, key priorities and the council's core principles.
- 6.4 The Council approach to delivering the savings requirement is encapsulated in the Efficiency Strategy 2019/2020 to 2021/2022 (attached as Appendix Gi).
- 6.5 Further updates on the Efficiency Strategy will be provided to Cabinet in light of the emerging funding framework and the Medium Term Financial Strategy 2019-2022 will be refined and updated as this work progresses.

7 Capital and Prudential Borrowing

- 7.1 The revenue implications of the Council's Capital Programme are considered as part of the process for setting the Capital Programme. The revenue impact of the Capital Programme is reflected in the MTFS, in particular the costs associated with the level of prudential borrowing required to deliver the Capital Programme.
- 7.2 The four year Capital Programme for 2019/2020 to 2022/2023 was set to take account of the reductions in available external funding and the increased pressure on the Council's resources.
- 7.3 New capital schemes for 2020/2021 and beyond, which meet key priority objectives will be considered in light of available resources as the budget process progresses. The Council's Capital Strategy reflects the councils approach to prioritisation of projects for investment, while the borrowing strategy reflects appropriate parameters to ensure VFM considerations are safeguarded.

8 Reserves and Balances, and Reserves Policy

- 8.1 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.
- 8.2 In establishing reserves, the Council must comply with the Code of Practice on Local Authority Accounting in the United Kingdom. The Section 151 Officer will consider the level of reserves as part of the budget setting process, and provide a statement on the adequacy of reserves.
- 8.3 The Council's policy on reserves is as follows:
- The Council will maintain its general reserve at a minimum of £12m 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.
- 8.4 Other than General Reserve, all reserves are earmarked for specific purposes. The forecast balances on major reserves at 31st March 209 are attached at Appendix li for information.
- 8.5 A general reserve of £12m is held to provide a level of contingency and meet any unforeseen expenditure and support the budget as currently agreed as set out in Appendix F. A full analysis of reserves is included annually in the Statement of Accounts. A financial risk analysis in respect of the level of general reserve is set out at Appendix H.

9 Budget Consultation and Equality Analysis

- 9.1 The budget process for 2019/2020 included consultation on budget proposals covering the period 2019/2020 to 2021/2022. In general, the findings demonstrated continuing support for the Councils overall approach to meeting the budget cuts.
- 9.2 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.

10 Risk Assessment

- 10.1 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 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 Gii.

11 Conclusion

- 11.1 The Government has announced funding levels for 2019/2020 but as yet has provided no indications of funding beyond that year. The impact of the Spending Review 2019, the Fair Funding Review, move to 75% retained Business Rates could all have a significant impact on the future funding level available for services in Sunderland. The planning assumes at this stage that the government will take action through the Top up and Tariffs arrangements so that no council is significantly adversely affected by the combined impact of the changes. However even with this assumption, the council faces the requirement for significant budget reductions as a result of the unfunded spending pressures which the council faces each year, with a three year on-going savings requirement for 2019/2020 to 2021/2022 in the region of £55m. This is in addition to over £290m savings already achieved in the period 2010/2011 to 2018/2019.
- 11.2 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.
- 11.3 Government and regional support for capital investment also continues to be restricted over the life of the MTFS, with potential further impacts arising as a result of Brexit. If the Council wants to continue to invest in capital projects to deliver priorities, it needs to be even more self-sufficient and raise income or reduce service costs to support borrowing.

Appendix G (continued)

- 11.4 The Council is no longer able to protect frontline services from the impact of the government cuts and unfunded spending pressures. In seeking to minimise the impact on residents and the city, the Council, 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.
- 11.5 In the short term, all funding options, including budget savings and council tax levels and commitments against reserves, will be considered to allow a balanced and sustainable budget over the period to 2021/2022 to be agreed.

Efficiency Strategy 2019/2020 to 2021/2022

The following strategy sets out the overarching Council approach to meeting the reductions challenge as a result of government funding reductions and unfunded cost pressures.

The Efficiency Strategy, as set out, follows the previous format required to satisfy the government's four year funding settlement, the final year of which is 2019/2020.

It is recognised that the impact of the Spending Review 2019, the Fair Funding Review and the move to 75% Business Rates could have a significant effect on the assumptions within the MTFS as set out at Appendix G, which in turn will impact upon the approach set out in this Efficiency Strategy. The Strategy will therefore be kept under review and the approach updated as required throughout 2019/2020.

1 Purpose

- 1.1 The Efficiency Strategy 2019/2020 to 2021/2022 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 MTFS;
 - 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 approach and arrangements for delivery of savings as part of medium term financial planning.

3 Context

- 3.1 This strategy integrates the Council commitment 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.

4 The Financial Challenge - Medium Term Financial Plan

- 4.1 The MTFS set out at Appendix G shows savings requirements through to 2022 as follows:

	2019/20	2020/21	2021/22	Total
	£'m	£m	£m	£m
Funding Changes	1.05	7.12	(0.20)	7.97
Total Ongoing Spending Pressures	24.32	10.28	11.91	46.51
Total Budget Gap	25.37	17.40	11.71	54.48

On-going savings of £54m are estimated to be required over the three years to 2021/2022. This is in addition to more than £290m savings already achieved in the period 2010/2011 to 2018/2019.

- 4.2 The Revenue Budget and Proposed Council Tax for 2019/2020 report to February 2019 Cabinet includes proposals to meet the funding gap for 2019/2020. Section 5 below sets out the approach to develop a full suite of proposals to meet the remaining funding gap through to 2021/2022.
- 4.3 A further suite of proposals to balance the budget over the medium term will be considered by Cabinet in due course and form the basis of consultation.

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 consider the role of the council as 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 involves further transforming service delivery, reviewing service standards and commissioned activity and prioritising resources to support statutory requirements and key priorities as set out in the City Plan.

5.3 Programme of service activity

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 following key principles.

For all service areas this includes consideration of:

- Ensuring resources are targeted on statutory and front line services and protecting key priority services with a focus on need rather than want;
- Managing demand - implementing strategies and policies that enable the Council to manage demand and facilitate those services which make a difference in the most effective way;
- Being customer focussed - using robust data and information to understand our resident's needs and maximising opportunities through use of technology for both our customers and internal users, so that people self-serve wherever possible and eliminate waste and duplication;
- Redesigning and reshaping services to deliver required outcomes in a value for money way which maximises productivity;
- Strategic commissioning based on outcomes and using an intelligence-based approach to ensure a sound evidence base for commissioning decisions and effective commissioning arrangements;
- Pressing forward with new models of service delivery that improve our commercialisation, to maximise income opportunities where there is a market and business case;
- Ensuring opportunities for collaboration with partners to deliver key outcomes that matter to the city;
- Ensuring that our internal, support services respond appropriately to the changing shape and size of the Council;
- Involving the Community – residents, businesses, partners, voluntary sector to ensure best outcomes for the city; and
- Continued focus on regeneration and inward investment in order to grow business rate and council tax income, leveraging funding to maximise additional income sources and commercial opportunities.

5.4 Income maximisation

In addition to pursuing service related activity strategies as set out at paragraph 5.3, focus will also be made on maximising income levels:

5.4.1 Retained Business Rates

Under the current 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 2019/2020 to be retained by the Council is £44.398m.

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 5.5) and the Council's 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 75% retained business rates by 2020.

The efficiency strategy assumes prudent growth in the Business rates base of £0.900m per annum in 2019/2020 and £0.500m per annum in 2020/2021 and 2021/2022 based on historical growth, forecast developments impacting on the business rates baseline, and the volatility of the appeals position.

5.4.2 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 5.5) 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 Siglion's proposed developments at Seaburn and Chapelgarth and the South Sunderland Growth Area.

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

The Efficiency Strategy assumes growth in the council tax base of circa £0.5m per annum in 2020/2021 and 2021/2022 based on historical experience of growth in the base and known development activity which will impact during the period of the MTFS.

The Local Government settlement for 2019/2020 includes assumptions that councils will raise council tax annually in line with the level allowed without a local referendum in addition to applying a social care levy. The Council will consider the position regarding Council Tax as part of each annual budget process.

5.4.3 Fees and Charges

A review of all fees and charges takes place on an annual basis in accordance with the Council Fees and Charges Review Policy to ensure that opportunities to maximise resources are followed through.

Opportunities for new charges continue to be actively pursued by Executive Directors as part of the improvement planning process and these will be reflected within future savings plans to be considered by Cabinet in due course.

5.5 Capital Programme and Regeneration Activity

5.5.1 The Council's approach to Capital planning is set out in the Capital Strategy, which is included in the Capital Programme report elsewhere on today's agenda. This encompasses the aims of the new City Plan with an overall ambition that by 2030 Sunderland will be a connected, international city with opportunities for all.

5.5.2 The key themes to achieving our ambition are that:

- Sunderland will be a **dynamic city**. This includes more and better jobs, an improved housing offer, improvements to the city centre and a focus on low carbon and digital connectivity.
- Sunderland will be a **healthy city**. This includes a focus on ensuring that everyone has access to opportunities and life chances to live healthier, longer, independent lives. There will be a focus on a more attractive city and neighbourhoods with better transport networks.
- Sunderland will be a **vibrant city**. This includes more creative and cultural businesses, more visitors to Sunderland and more residents participating in their communities and cultural events. We want residents to feel happy in the neighbourhoods where they live and feel safe.

5.5.3 In addition, the continuing focus for the Council is on serving all our residents in Sunderland with the best possible services and support. As community leaders for the city we also have the role to help steer the city with our partners to achieve its true potential. This includes our commitment to our values – Innovate, Respectful and Enabling. This is in line with our commitment to creating community wealth and working within the principles of a co-operative council

Appendix Gi) (continued)

- 5.5.4 A key priority of the Capital programme 2019/2020 to 2022/2023 is to continue to support plans for the regeneration of the City Centre, River Corridor, IAMP, Enterprise Zones, the continued development of city wide infrastructure and to support housing growth.
- 5.5.5 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. This in turn will help maximise income available to the city through council tax, business rates and new homes bonus.
- 5.5.4 The Capital Programme will be kept under review in light of delivery of savings plans 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.
- 5.6 Leverage of External Funding
- 5.6.4 The Council continues to explore and maximise external funding opportunities to support its core priorities including economic development and regeneration, education and skills, health and well-being and culture and heritage.
- 5.6.5 Significant investment has been secured to date from central government and regional funds to support the Council's infrastructure priorities, including the International Advanced Manufacturing Park (IAMP), Sunderland Strategic Transport Corridor Phase 3 (SSTC3), Vaux Phase 1 and the Port of Sunderland Enterprise Zone.
- 5.6.6 With the Local Growth Fund now largely committed in the North East Local Enterprise Partnership (NELEP) area, the Council continues to investigate funding opportunities linked to the UK's Industrial Strategy and National Productivity Investment Fund. Major projects in the pipeline include the development of the South Sunderland Growth Area bid to the Housing Infrastructure Fund, and support for the North East bid to the Transforming Cities Fund.
- 5.6.7 Continued investment in the city's heritage, tourism, sporting and cultural assets is also being pursued through the Heritage Lottery Fund, Historic England, Arts Council, Coastal Communities Fund, Department for Culture, Media and Sport, the Football Foundation and other major funders. This builds on the early progress of Sunderland Culture, working in partnership with the council, in securing National Portfolio Organisation status for 2018-2022 through the Arts Council. Development work is on-going to identify a pipeline of future projects to enhance the city's overall cultural offer.

- 5.6.8 In addition the Council has continued to secure external funding for projects which support the most vulnerable members of the community. These include 15 local projects funded through Sunderland's Community Led Local Development programme, additional funding secured to support domestic abuse victims, and a range of local educational projects.
- 5.6.9 The Council continues to monitor the post-Brexit funding position. In December 2017, the EU and UK Government agreed that the EU Structural Funds would continue to operate as normal in the UK up until the end of 2020, with approved projects to continue until 2022 or 2023. It is expected that opportunities to access EU funding programmes will continue for the next 1-2 years until all remaining funds are committed.
- 5.6.10 While the above position provides some reassurance on the NELEP area's European Structural and Investment Fund allocation for 2014-2020, local government and regional partners continue to lobby for a significant UK successor programme that will operate beyond 2020. Early consultation work on the UK Shared Prosperity Fund (UKSPF) began in summer 2018 with a series of regional workshops. However, the Government is yet to formally launch its consultation on the fund. Current thinking is that the UKSPF will operate from 2021 and that its coverage will reflect regional priorities set out in new Local Industrial Strategies and in updated Strategic Economic Plans.

5.7 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, Tax Increment Financing, asset backed partnerships, joint working with partners, infrastructure investment for enterprise zones underpinned by business rates growth
- Trading opportunities
- Alternatives to revenue funding

The Council will seek to maximise opportunities for funding priority spending. Some avenues have already been explored and implemented for example the formation of Sunderland Care and Support Limited, 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, and more recently development of the Housing investment company. 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.

5.8 Partnership / Collaboration / Joint working activity

The Council's 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 includes 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;
- The council alongside the CCG and Health partners have formed the All Together Better Alliance to further integrate health and social care in the community to improve 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.

5.9 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.

5.10 Good housekeeping and general on-going actions

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

- Continuous review of costs and planned spend to minimise non-essential spend and maximise savings;
- Challenge of all spending, working practises and culture;
- 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 Some savings may require some initial up-front investment to enable savings to be delivered - examples include investment in technology to enable improved productivity and reduced cost, or investment in extra care facilities to reduce numbers entering residential nursing care. 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 One-off transformational costs will arise through Workforce Planning arrangements in order to assist in delivering the on-going reduction proposals for 2019/2020 through to 2021/2022.
- 6.2.2 As part of the 2018/2019 Settlement, the Government has extended the flexibilities allowing capital receipts generated in each year through to 2021/2022 to be used to fund transformational costs incurred in those years.
- 6.2.3 Workforce Planning arrangements will incur circa £3.75m of transformational costs associated with reducing the workforce to deliver £2.80m of planned savings relating to 2019/2020, 2020/2022 and 2021/2022. This represents a payback period of 1.34 years. However, it is possible that an element of this cost will fall in the current financial year. In addition it is likely that additional transformational costs in excess of workforce planning may arise, for example on ICT systems or other one-off costs.
- 6.2.4 It is proposed to continue the approach adopted in recent years in relation to the capital receipts flexibility in order to ensure maximum flexibility in funding options available with the capital receipts received, utilised to meet Workforce Planning arrangement transformation costs arising in 2019/2020. In addition it is anticipated that additional transformation costs in excess of workforce planning may arise, for example on ICT systems or other one-off costs.
- 6.2.5 In order to comply with the capital receipts flexibility requirements it is proposed to earmark capital receipts generated in 2019/2020 of £3.75m for this purpose. The Council's Efficiency Strategy supports the government requirements in making use of these flexibilities. The requirements in respect of prudential indicators are reflected in the Capital Programme 2019/2020 and Treasury Management Policy and Strategy 2019/2020.
- 6.2.6 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 2018/2019 through to 2021/2022 will be considered as part of the outturn position each year taking account of the overall corporate outturn position, available reserves, and capital receipts availability.

7 Governance and Monitoring arrangements

- 7.1 The strategy will be robustly managed to ensure financial resilience is maintained. Progress 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;
 - Corporate performance monitoring arrangements include monitoring of delivery of savings at Chief Executive and Directorate level and is embedded as part of the routine budget monitoring processes with reporting to Directorate Senior management teams and Portfolio Holders;
 - Reporting to Cabinet on progress on delivery of annual savings on a quarterly basis.

MTFS 2019/2020 to 2021/2022 Risk Assessment

Risk	Likelihood	Impact	Risk Management
1. Future available resources less than notified. MTFS is based on data as known, but this does not reflect any potential impact of Brexit or impact of Government Fair Funding review and move to 75% retained Business Rates. This is likely to be a key impact on the level of funding available in future	Likely	High	Settlement confirmed RSG funding for 2019/2020 with forecasts beyond 2019/2020 based on assumption government will use Top up and Tariff mechanisms to smooth impact on individual authorities of spending review, fair funding review and implementation of 75% retained business rates. MTFS is regularly updated to reflect latest intelligence. Annual review of reserves and reserves policy to identify available future resources.
2. Changes to Government and/or policy.	Possible	High	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	Provision included in MTFS based on agreed 2019/20 pay award @2%. Provision for contingencies set on the basis of the best available evidence.
4. Future spending plans underestimated.	Possible	Medium	Service planning process and regular MTFS review identifies future budget pressures.
5. Anticipated savings 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 £12m.

Appendix Gii) (continued)

Risk	Likelihood	Impact	Risk Management
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. 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, including through corporate performance arrangements to identify forecast shortfall and remedial action will be taken. Government Safety Net arrangements
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 / reporting in line with corporate performance management 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 2019/2020 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:

- Prudent provision has been included for known pay offers;
- CPI was 2.1% in December 2018. The Bank of England will vary the bank base rate if economic circumstances change to help bring inflation to their 2.0% target. In their November 2018 quarterly inflation report, inflation was forecast to be marginally above the 2% target two years ahead, (at about 2.1%), given a scenario of minimal increases in Bank Rate and assuming an agreement is reached on Brexit between the UK and the EU.
- Inflation will put further pressure on Council budgets, however;
 - 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,
 - 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 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 unlikely to arise due to:

- a prudent provision has been made to enable potential borrowing under the prudential framework;
- the market consensus regarding the economic outlook for the years ahead is reflected in planning for debt charges;
- headroom exists within the debt charge budget 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 reflects a prudent rate of return, which reflects the investments made to date, the prevailing market conditions and the economic forecasts for the year ahead.

Appendix H (continued)

Contingencies

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

This is unlikely to occur due to:

- prudent estimates have been included in respect of each category of contingency provision and specific contingencies have been created for known spending pressures in 2019/2020;
- the total contingency provision will be considered 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;
- 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;

- Corporate performance monitoring arrangements includes monitoring of delivery of savings and overall budget position at Chief Executive, Executive Director and Head of Service level and is embedded as part of the routine budget monitoring processes with exception reporting to Directorate Senior management teams and Portfolio Holders with corrective action agreed or set in train;

Appendix H (continued)

- Quarterly Council-wide Revenue Budget Budgetary Control reviews are undertaken, reported to Cabinet and corrective action agreed or set in train;
- Financial Procedure Rules relating to delegated budgets provide for virement; 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;
- Corporate performance monitoring arrangements includes monitoring of delivery of savings and overall budget position at Directorate level and is embedded as part of the routine budget monitoring processes with exception reporting to Directorate Senior management teams, Portfolio Holders and Leadership team with corrective action agreed or set in train;
- Contingencies / Reserves exist to safeguard against the non - realisation or temporary delay of some of the budget reductions.

Major Earmarked Reserves - Position Statement

Title and Purpose of Earmarked Reserve	Opening Balance 1/4/2018 £'000	Forecast Movement during 2018/2019 £'000	Forecast Closing Balance 31/3/2019 £'000
Strategic Investment Reserve A reserve established to address some of the Council's key developments, strategic priorities and address other major liabilities	29,575	(13,822)	15,753
Schools Delegated Budget Surpluses These are the financial reserves held by schools under School Finance Regulations.	6,574	(677)	5,897
Insurance Reserve 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	4,628	0	4,628
Street Lighting PFI Smoothing Reserve The reserve was established in order to smooth the financial impact of the Street Lighting PFI contract across the 25 years of the contract life.	4,766	(349)	4,417
HCA Transfer Reserves The reserve was established to fund on-going maintenance of Homes and Communities Agency Land Transferred to the Council, including the Stadium Park transfer.	14,832	(586)	14,266
Medium Term Smoothing Reserve This reserve was established to address any potential impact arising from the increased risk and uncertainty within the new Business Rates Retention Scheme. It is being utilised to smooth the impact of government austerity measures.	8,176	(2,578)	5,598
Economic Strategy / Inward Investment Reserve Established to progress economic regeneration activity, promote inward investment and address potential impacts of Brexit.	7,100	(1,500)	5,600
Service Pressure Reserve A reserve established to meet known service pressures on-going into future years.	3,161	0	3,161
Saving Target Reserve This reserve is to provide temporary transitional funding relating to the implementation of planned service reductions.	2,555	0	2,555
Improvement Action Priorities Reserve A reserve established to enable invest to save priorities to be implemented which enable ongoing savings to be delivered.	3,000	(3,000)	0

Reserves to be released to support 2019/2020 Budget

Reserve Title	Original Reserve Purpose	£'m	Supporting One off SCAS Pressures 2019/2020 £'m
Strategic Investment Reserve	Reserve held to meet future liabilities	1.250	1.250
Reserves to be released to support 2019/2020 Budget		1.250	1.250

REVENUE BUDGET 2019/20

**SUNDERLAND CITY COUNCIL
REVENUE ESTIMATES 2019/2020
GENERAL SUMMARY**

ANNEX 1

Revised Estimate 2018/19		Estimate 2019/20
£		£
3,811,565	Leader	3,808,097
2,547,867	Deputy Leader	2,693,278
14,091,827	Cabinet Secretary	13,858,082
70,346,488	Children, Learning and Skills	75,692,339
11,737,518	Community and Culture	11,958,964
43,831,641	Environment and Transport	42,416,805
78,816,910	Health and Social Care	77,635,055
3,955,697	Housing and Regeneration	4,485,256
7,963,905	Provision for Contingencies	5,802,000
	Capital Financing Costs	
19,740,000	- Debt Charges	19,827,926
(300,000)	- Interest on balances	(300,000)
(1,253,000)	- Interest on Airport long term loan notes	(1,253,000)
	Transfer to/from Reserves	
926,047	- Medium Term Planning Smoothing Reserve	926,047
1,344,629	- Use of Collection Fund Surplus Reserve	(146,801)
(3,500,000)	- Use of Medium Term Planning Smoothing Reserve	0
(2,900,000)	- Use of Strategic Investment Reserve	(1,250,000)
(26,549,158)	Technical Adjustments: IAS19 and Reversal of Capital Charges	(26,395,813)
<u>224,611,936</u>		<u>229,758,235</u>
LEVIES		
15,218,556	North East Combined Authority Transport Levy	14,998,556
224,250	Environment Agency	226,940
63,357	North East Inshore Fisheries Conservation Authority	63,357
<u>15,506,163</u>		<u>15,288,853</u>
Less Grants		
(13,037,752)	Improved Better Care Fund	(16,566,645)
(979,861)	Adult Social Care Grant	0
0	Adult Social Care Grant – Winter Pressures Grant	(1,567,778)
0	Social Care Support Grant	(2,678,287)
(4,538,059)	Section 31 Grants – Business Rates and Brexit Grant	(6,486,626)
(3,195,199)	New Homes Bonus	(2,956,926)
(13,781)	Inshore Fisheries Conservation Authority	(13,781)
<u>218,353,447</u>	TOTAL NET EXPENDITURE / LOCAL BUDGET REQUIREMENT	<u>214,777,045</u>
65,506	Hetton Town Council	66,591
<u>218,418,953</u>	TOTAL BUDGET REQUIREMENT	<u>214,843,636</u>
Deduct Grants etc.		
36,156,881	Revenue Support Grant	27,507,383
43,023,994	National Non Domestic Rates/Retained Business Rates	44,398,085
42,191,923	Top up Grant	43,022,701
1,844,629	Collection Fund Surplus - Council Tax	353,199
<u>123,217,427</u>		<u>115,281,368</u>
<u>95,201,526</u>	LOCAL COUNCIL TAX REQUIREMENT INCLUDING PARISH PRECEPT	<u>99,562,268</u>
<u>95,147,865</u>	LOCAL COUNCIL TAX REQUIREMENT EXCLUDING PARISH PRECEPT	<u>99,507,522</u>

**SUNDERLAND CITY COUNCIL
CONTINGENCIES**

**APPENDIX F
ANNEX 1**

	£m
Pay and Cost Pressures	3.623
General Contingency	1.000
Adult Social Care - Community Based Support	1.074
Service Pressures and Economic Downturn	0.700
Winter Maintenance	0.300
Council Wide Management Restructure	(1.000)
Brexit Preparation Grant	0.105
Total Contingency	5.802

STATEMENT OF GENERAL BALANCES

	£m
Balances as at 31st March 2018	12.000
Use / Addition to Balances 2018/2019	
Use of Balances 2018/2019	
- Contribution to Revenue Budget	(6,400)
Addition to Balances 2018/2019	
- Transfer from Medium Term Planning Smoothing Reserve to support the 2018/2019 budget	3.500
- Transfer from Strategic Investment Reserve to support the 2018/2019 budget	2.900
Estimated Balances 31st March 2019	12.000
Use of Balances 2019/2020	
- Contribution to Revenue Budget	(1.250)
Addition to Balances 2019/2020	
- Transfer from Strategic Investment Reserve to support the 2019/2020 budget	1.250
Estimated Balances 31st March 2020	12.000

REVENUE BUDGET 2019/2020 LEADER

ROLES AND RESPONSIBILITIES

- To provide political leadership on behalf of residents, stakeholders and partners in the co-ordination of Council strategies, policies and service delivery, ensuring good quality services.
- To provide political leadership in the development of local, regional, sub-regional strategy and strategic partnerships.
- To promote and enhance the reputation of Sunderland, the city and the council, at national, European and international levels.
- To ensure that the Council's approach to economic, social and physical regeneration of the City is integrated, enabling and effective, leading on regional and sub-regional governance.
- To provide democratic leadership on all major strategic and commercially sensitive issues and setting Revenue and Capital budgets.
- To provide democratic leadership to partners, residents and stakeholders and ensure effective communication channels are in place, including a digital presence.
- To co-ordinate and apportion the roles and responsibilities of Executive Members.

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Revised Estimate 2018/2019 £		Estimate 2019/2020 £
Corporate Services				
1	EDoCS	260,882	Corporate and Strategic Management	275,591
2	HoLG	1,406,887	Democratic Core	1,406,887
3	HoPPC	770,580	Local Enterprise Partnership	755,954
		2,438,349	Total Corporate Services	2,438,432
Strategy, Partnerships and Transformation				
4	HoPPC	1,128,436	Corporate Affairs and Communications	1,024,492
5	HoPPC	14,828	Local Strategic Partnership	10,828
6	HoMSCP	74,553	Member Support	72,378
7	HoPPC	1,348,845	Strategy, Policy and Performance Management	1,284,400
		2,566,662	Total Strategy, Partnerships and Transformation	2,392,098
		5,005,011	TOTAL DELEGATED BUDGET	4,830,530
Non Delegated Budgets				
8		229,852	IAS19 (Pensions)	237,340
9		1,896,905	Support Service Costs - received from other services	1,924,762
10		(3,323,051)	Support Service Costs - charged to other services	(3,187,383)
11		2,848	Asset Charges	2,848
		3,811,565	TOTAL PORTFOLIO BUDGET	3,808,097

The budget service lines do not include support service costs or other non-delegated costs. As such they do not reflect external reporting requirements which will contain apportionment of support service costs, with the exception of those marked *.

PORTFOLIO GLOSSARY

EDoCS	Executive Director of Corporate Services
HoLG	Head of Law and Governance
HoPPC	Head of Policy, Partnerships and Communications
HoMSCP	Head of Member Support and Community Partnerships

**REVENUE BUDGET 2019/2020
DEPUTY LEADER**

ROLES AND RESPONSIBILITIES

- To provide political leadership and to support the Leader as appropriate working collectively with the Cabinet.
- To lead on strategic economic, transport, planning and international strategy and policy development.
- To lead on strategy and policy development and coordination across the council for equalities, promoting social inclusion, safer and cohesive communities and working with the armed forces.

In the absence of the Leader of the Council, the Deputy Leader of the Council has overall responsibility for the portfolio of the Leader of the Council:

- To ensure that the Council's approach to economic, social and physical regeneration of the City is integrated, enabling and effective, leading on regional and sub-regional governance.
- To provide democratic leadership on all major strategic and commercially sensitive issues and setting Revenue and Capital budgets.
- To provide democratic leadership to partners, residents and stakeholders and ensure effective communication channels are in place, including a digital presence.

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Revised Estimate 2018/2019 £		Estimate 2019/2020 £
			Economy and Place	
1	HoBI&IM	1,002,824	Business and Investment	975,838
2	PD	(305,750)	Port of Sunderland*	(154,572)
		697,074	Total Economy and Place	821,266
			Strategy, Partnerships and Transformation	
3	HoPPC	54,826	Equalities and Integration	44,826
4	HoPPC	92,799	Safer Communities	83,894
		147,625	Total Strategy, Partnerships and Transformation	128,720
		844,699	TOTAL DELEGATED BUDGET	949,986
			Non Delegated Budgets	
5		184,212	IAS19 (Pensions)	190,976
6		942,713	Support Service Costs - received from other services	976,073
7		0	Support Service Costs - charged to other services	0
8		576,243	Asset Charges	576,243
		2,547,867	TOTAL PORTFOLIO BUDGET	2,693,278

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PORTFOLIO GLOSSARY

HoBI&IM	Head of Business Investment and International Manager
PD	Port Director
HoPPC	Head of Policy, Partnerships and Communications

REVENUE BUDGET 2019/2020
CABINET SECRETARY

ROLES AND RESPONSIBILITIES

Primary overview of Council priorities:

- Ensuring that the resources of the council are effectively deployed and ensuring that the council is an effective commissioner and collaborator to sustain services that matter to local people and to local communities.
- To deputise for the Leader as appropriate.
- To ensure that the Council's internal operations are integrated, enabling and effective and the council fulfils its strategic and statutory roles in relation to corporate services are met.
- Strategic oversight of the commissioned and procured partnerships as well as partnerships where Sunderland is the lead authority and those that directly benefit the city.
- Policy Oversight to include: Council and city resources direction and development including productivity, transformation and value for money oversight and the effective management of budget, people and systems.

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Revised Estimate 2018/2019 £		Estimate 2019/2020 £
Corporate Services				
1	HoAP&PM	2,484,080	Audit, Risk and Assurance	2,288,780
2	HoCS,I&ICT	209,450	Benefits Service	70,175
3	HoCR	103,102	Contractual Relationships	107,301
4	HoFM	12,648,595	Corporate Management	13,516,970
5	HoCS,I&ICT	2,029,296	Customer Service Network	1,986,375
6	HoES	616,882	Electoral Services	634,183
7	HoFM	2,067,727	Financial Management	2,020,398
8	HoLG	457,081	Governance Services	530,520
9	HoCS,I&ICT	5,995,237	ICT	6,016,496
10	HoCS,I&ICT	671,721	Intelligence Hub	178,868
11	HoLG	796,129	Legal Services	726,337
12	HoAP&PM	391,428	Procurement	392,352
13	HoAP&PM	416,615	Purchase to Pay	400,530
14	HoEF,R&CF	150,102	Revenues	539,580
15	HoHR&OD	1,959,933	Strategic and Operational HR	1,876,937
16	HoEF,R&CF	287,492	Strategic External Funding Unit	298,817
		31,284,870	Total Corporate Services	31,584,619
Economy and Place				
17	HoPROP	(264,748)	Area Facilities	(218,045)
18	HoPROP	746,166	Asset Management	828,717
19	HoPROP	1,485,664	Civic Buildings	1,581,906
20	HoPROP	213,262	Civil Contingencies	231,467
21	HoPROP	2,187,453	Repairs and Renewals	2,186,321
22	HoPROP	1,063,420	Security Services	1,066,340
		5,431,217	Total Economy and Place	5,676,706
Strategy, Partnerships and Transformation				
23	HoTCP	2,645,153	Business Support	2,288,562
24	HoSPT	160,417	Data Protection Office	168,205
25	HoLG	45,175	Information Governance	37,096
26	HoTCP	516,647	Transformational Change Team	477,371
		3,367,392	Total Strategy, Partnership and Transformation	2,971,234
		40,083,479	TOTAL DELEGATED BUDGET	40,232,559
Non Delegated Budgets				
27		(9,758,621)	IAS19 (Pensions)	(10,388,715)
28		17,043,227	Support Service Costs - received from other services	16,695,009
29		(35,722,852)	Support Service Costs - charged to other services	(34,871,971)
30		2,446,594	Asset Charges	2,191,200
		14,091,827	TOTAL PORTFOLIO BUDGET	13,858,082

**REVENUE BUDGET 2019/2020
CABINET SECRETARY**

The budget service lines do not include support service costs or other non-delegated costs. As such they do not reflect external reporting requirements which will contain apportionment of support service costs, with the exception of those marked *.

PORTFOLIO GLOSSARY

HoAP&PM	Head of Assurance, Procurement and Performance Management
HoCS,I&ICT	Head of Customer Service, Intelligence and ICT
HoCR	Head of Contractual Relationships
HoES	Head of Electoral Services
HoFM	Head of Financial Management
HoLG	Head of Law and Governance
HoEF,R&CF	Head of External Funding, Revenues and Commercial Finance
HoHR&OD	Head of HR and OD
HoPROP	Head of Property
HoTCP	Head of Transformational Change Programme
HoSPT	Head of Strategy, Partnerships & Transformations
HoPR	Head of Planning and Regeneration

**REVENUE BUDGET 2019/2020
CHILDREN, LEARNING AND SKILLS**

ROLES AND RESPONSIBILITIES

Primary overview of Children, Learning and Skills priorities:

- Ensuring Sunderland's children and young people achieve the best outcomes and supporting all age learning and skills agenda.
- To ensure that the Council's approach to the Children, Learning and Skills priorities of the City are integrated, enabling and effective.
- To provide democratic leadership in ensuring that the Council's strategic and statutory roles in relation to children, learning and skills.
- Key contribution to partnerships relating to children and young people, learning and skills.

Policy Oversight to include:

- Council and City Children and Young People, Learning and Skills direction and development.

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Revised Estimate 2018/2019 £		Estimate 2019/2020 £
People Services				
Educational Attainment and Lifelong Learning				
1	CE-SDoCS	68,340,756	DSG and Other Grant – Schools	67,799,279
2	CE-SDoCS	603,735	DSG and Other Grant – Central School Services	610,780
3	CE-SDoCS	18,739,839	DSG Early Years Block	18,663,853
4	CE-SDoCS	17,191,915	DSG High Needs Block	18,000,655
5	CE-SDoCS	(105,449,039)	DSG and Other School Grants	(105,657,337)
6	CE-SDoCS	1,999,381	Retained Activity – Schools and Learning	2,034,490
7	HoPROG	(184,852)	Trading Operations - Connexions Hub	(225,007)
		1,241,735	Total Educational Attainment and Lifelong Learning	1,226,713
Early Help				
8	CE-SDoCS	60,735	Parent Partnership	60,280
		60,735	Total Early Help	60,280
9	HoE	255,652	Trading Operations - Derwent Hill*	467,017
10	CE-SDoCS	56,109,568	Together for Children	60,858,568
11	CE-SDoCS	34,958	Director of Children's Services	38,484
12	HoPROG	(183,604)	Family, Adult and Community Learning	(302,998)
		57,519,044	Total Peoples Services	62,348,064
Strategy, Partnerships and Transformation				
13	CE-SDoCS	268,473	Sunderland Safeguarding Children's Board	242,812
		268,473	Total Strategy, Partnerships and Transformation	242,812
		57,787,517	TOTAL DELEGATED BUDGET	62,590,876
Non Delegated Budgets				
14		3,057,279	IAS19 (Pensions)	3,074,125
15		122,514	Support Service Costs - received from other services	47,537
16		(895,567)	Support Service Costs - charged to other services	(247,484)
17		10,274,745	Asset Charges	10,227,285
		70,346,488	TOTAL PORTFOLIO BUDGET	75,692,339

The budget service lines do not include support service costs or other non-delegated costs. As such they do not reflect external reporting requirements which will contain apportionment of support service costs, with the exception of those marked *.

PORTFOLIO GLOSSARY

CE-SDoCS	Chief Executive - Sunderland Director of Children's Services
HoPROG	Head of Programmes
HoE	Head of Events

**REVENUE BUDGET 2019/2020
COMMUNITY AND CULTURE**

ROLES AND RESPONSIBILITIES

Primary overview of Community priorities:

- Ensuring Sunderland's local communities achieve the best outcomes and have access to the widest opportunities that support their economic, social and physical wellbeing.
- To ensure that the Council's approach to the communities of the City are integrated, enabling and effective.
- To provide democratic leadership in ensuring that the Council's strategic and statutory roles in relation to communities are met. This includes access to health and other partner services relating to communities.
- Responsibility for oversight of Area Committees.
- Key contribution to partnerships relating to communities and local neighbourhoods.

Policy Oversight to include:

- Council and City community and cultural policy direction and development (including tourism, leisure and heritage).

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Revised Estimate 2018/2019 £		Estimate 2019/2020 £
Strategy, Partnerships and Transformation				
1	HoMSCP	1,091,983	Area Arrangements	1,443,059
2	HoMSCP	1,776,666	Strategic Initiative Budget / Community Chest Grant	2,276,666
3	HoPPC	79,204	Tourism	79,204
		2,947,853	Total Strategy, Partnerships and Transformation	3,798,929
People Services				
4	HoPROG	89,556	Arts and Creative Development	103,106
5	HoE	651,228	Community Sports and Physical Activity Development	677,688
6	HoE	870,506	Events	1,389,782
7	HoPROG	60,856	Grants to Community Projects and Miscellaneous Contributions	62,189
8	HoPROG	130,876	Heritage	135,707
9	HoE	808,072	Libraries	801,676
10	HoPROG	684,851	Museums and Archives Service	306,051
11	HoE	(14,500)	Resorts	(14,500)
12	HoE	1,237,494	Sport and Leisure Facilities	233,147
13	HoPROG	327,536	Theatre	332,747
		4,846,475	Total People Services	4,027,593
		7,794,328	TOTAL DELEGATED BUDGET	7,826,522
Non Delegated Budgets				
14		318,362	IAS19 (Pensions)	338,235
15		1,786,166	Support Service Costs - received from other services	1,798,812
16		(1,022,418)	Support Service Costs - charged to other services	(856,160)
17		2,861,080	Asset Charges	2,851,555
		11,737,518	TOTAL PORTFOLIO BUDGET	11,958,964

The budget service lines do not include support service costs or other non-delegated costs. As such they do not reflect external reporting requirements which will contain apportionment of support service costs, with the exception of those marked *.

PORTFOLIO GLOSSARY

HoMSCP	Head of Member Support and Community Partnerships
HoPROG	Head of Programmes
HoE	Head of Events
HoPPC	Head of Policy, Partnerships and Communications

REVENUE BUDGET 2019/2020 ENVIRONMENT AND TRANSPORT

ROLES AND RESPONSIBILITIES

Primary overview of Environment and Transport priorities:

- Ensuring the City is made as attractive, sustainable and accessible for all.
- To ensure that the Council's approach to environment and transport is integrated, enabling and effective (Council services that impact on place and the wider partnership activities).
- To provide democratic leadership in ensuring that the Council's strategic and statutory roles in relation to the environment and transport are met. This includes services that improve the physical environment and its connectivity for sustainable living, working and visiting the city and other partner services relating to place.
- Key contribution to partnerships relating to environment and transport, sustainability, energy and access.

Policy Oversight to include:

- Environment, Strategic transport and infrastructure, Public Protection and Place Regulation.

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Revised Estimate 2018/2019 £		Estimate 2019/2020 £
Economy and Place				
1	HoPM	(2,331,380)	Bereavement	(2,553,923)
2	HoPM	995,256	Building Cleaning	1,071,942
3	HoPM	184,596	Building Services*	193,440
4	COO	208,052	Business Development	210,898
5	HoPM	63,384	Civic Catering	68,965
6	HoPM	712,677	Coroners Court	721,449
7	HoPM	537,511	Depots	566,683
8	HoPM	4,184,415	Fleet	3,824,261
9	Hol&T	1,724,998	Infrastructure and Transportation*	900,654
10	HoPM	6,998,619	Local Services	7,307,297
11	Hol&T	(999,497)	Parking Services	(1,200,767)
12	HoPM	154,584	Public Conveniences	175,615
13	HoPP&RS	920,859	Public Protection and Regulatory Services	718,932
14	HoPM	(163,036)	Registrars	(195,157)
15	HoPM	(388,303)	School Meals	(208,190)
16	COO	211,572	Strategic Management	217,517
17	Hol&T	6,599,025	Street Lighting	6,669,116
18	HoPM	1,174,111	Waste Collection and Recycling	1,004,899
19	HoPM	9,762,629	Waste Disposal	9,727,524
		30,550,072	TOTAL DELEGATED BUDGET	29,221,155
Non Delegated Budgets				
20		1,803,603	IAS19 (Pensions)	1,927,499
21		14,064,456	Support Service Costs - received from other services	13,466,980
22		(11,295,567)	Support Service Costs - charged to other services	(10,876,380)
23		8,709,077	Asset Charges	8,677,551
		43,831,641	TOTAL PORTFOLIO BUDGET	42,416,805

The budget service lines do not include support service costs or other non-delegated costs. As such they do not reflect external reporting requirements which will contain apportionment of support service costs, with the exception of those marked *.

PORTFOLIO GLOSSARY

HoPM	Head of Place Management
COO	Chief Operating Officer
Hol&T	Head of Infrastructure and Transportation
HoPP&RS	Head of Public Protection and Regulatory Services

REVENUE BUDGET 2019/2020 HEALTH AND SOCIAL CARE

ROLES AND RESPONSIBILITIES

Primary overview of Adults priorities:

- Ensuring Sunderland's adults population achieves the best outcomes and improves the life chances of adults and providing all-population approach to public health (children and adults)
- To ensure that the Council's approach to the Adults and Public Health priorities of the City are integrated, enabling and effective.
- To provide democratic leadership in ensuring that the Council's strategic and statutory roles in relation to adults and public health are met.
- Key contribution to partnerships relating to adults and public health.

Policy Oversight to include:

- Council and City Adult and Public Health policy direction and development.

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Revised Estimate 2018/2019 £		Estimate 2019/2020 £
People Services				
1	HoASC	42,417,744	Adult Social Care, including Older People, People with Physical, Learning and Mental Health Disabilities	42,255,754
2	HoIC / HoPROG	27,416,842	Strategic Commissioning	26,853,134
3	HoPROG	230,035	Tyne and Wear Care Alliance	400,451
4	HoIC	466,876	Welfare Reform	473,355
5	DoPH	(4,604,246)	Public Health	(4,136,246)
		65,927,251	TOTAL DELEGATED BUDGET	65,846,448
Non Delegated Budgets				
6		1,300,122	IAS19 (Pensions)	1,417,356
7		41,910,940	Support Service Costs - received from other services	41,176,226
8		(30,548,404)	Support Service Costs - charged to other services	(31,013,128)
9		227,001	Asset Charges	208,153
		78,816,910	TOTAL PORTFOLIO BUDGET	77,635,055

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PORTFOLIO GLOSSARY

HoASC	Head of Adult Social Care
HoIC	Head of Integrated Commissioning
HoPROG	Head of Programmes
DoPH	Director of Public Health

REVENUE BUDGET 2019/2020 HOUSING AND REGENERATION

ROLES AND RESPONSIBILITIES

Primary overview of Housing and Regeneration priorities:

- Ensuring that Sunderland achieves the best outcomes from physical and economic regeneration including business and housing growth. To ensure an increasing focus on driving economic growth and income.
- To ensure that the Council's approach to housing and regeneration of the City is integrated, enabling and effective (Council services that impact on housing regeneration and the wider partnership activities).
- To provide leadership in ensuring that the Council's strategic and statutory roles in relation to the planning and delivery of housing and regeneration are met.
- Key contribution to partnerships relating to housing and regeneration.

Policy Oversight to include:

- Regeneration and Housing and Jobs.

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Head of Service Ref.	Revised Estimate 2018/2019 £		Estimate 2019/2020 £
Economy and Place				
1	HoPR	(74,984)	Building Control	(67,050)
2	HoPR	(158,789)	Development Control	(223,806)
3	HoPROP	(4,029,036)	Miscellaneous Land, Property and Industrial Estates	(4,016,492)
4	HoPR	990,139	Planning Implementation	965,659
5	HoPROP	(308,795)	Retail Market	(313,240)
		(3,581,465)	Total Economy and Place	(3,654,929)
People Services				
6	HoIC	425,975	Access to Housing	478,190
7	HoPROG	107,030	Anti-Social Behaviour	112,318
8	HoIC	100,000	Supporting People	600,000
		633,005	Total People Services	1,190,508
		(2,948,460)	TOTAL DELEGATED BUDGET	(2,464,421)
Non Delegated Budgets				
9		322,063	IAS19 (Pensions)	356,420
10		3,068,371	Support Service Costs - received from other services	3,072,905
11		(71,567)	Support Service Costs - charged to other services	(64,938)
12		3,585,290	Asset Charges	3,585,290
		3,955,697	TOTAL PORTFOLIO BUDGET	4,485,256

The budget service lines do not include support service costs or other non-delegated costs. As such they do not reflect external reporting requirements which will contain apportionment of support service costs, with the exception of those marked *.

PORTFOLIO GLOSSARY

HoPR	Head of Planning and Regeneration
HoPROP	Head of Property
HoIC	Head of Integrated Commissioning
HoPROG	Head of Programmes

