

<p style="text-align: center;">CABINET MEETING – 9 FEBRUARY 2021</p> <p style="text-align: center;">EXECUTIVE SUMMARY SHEET – PART I</p>	
Title of Report:	Revenue Budget and Proposed Council Tax for 2021/2022 and Medium Term Financial Plan 2021/2022 to 2024/2025
Authors:	Executive Director of Corporate Services
Purpose of Report:	<p>To report:</p> <ul style="list-style-type: none"> - the overall revenue budget position for 2021/2022; - the projected reserves position as at 31st March 2021 and 31st March 2022 and advise on their sufficiency; - a risk analysis of the Revenue Budget 2021/2022; - a summary of the emerging medium term financial position facing the Council from 2021/2022 to 2024/2025, and associated Council Efficiency strategy; and - any views received from the local Business Sector, Trade Unions and Scrutiny Coordinating Committee.
Description of Decision:	<p>Members are requested to:</p> <ul style="list-style-type: none"> - recommend to Council the proposals set out in the report including the proposed Revenue Budget for 2021/2022 set out at Appendix J; - recommend to Council the Medium Term Financial Plan 2021/2022 to 2024/2025 including Efficiency Strategy as set out in Appendix G and the potential use of Capital Receipts Flexibility set out at section 9 of the report; - recommend to Council the proposed council tax for 2021/2022 at Appendix F (paper to be tabled); and - note the views, if any, expressed by the local Business Sector, Trade Unions, and Scrutiny Coordinating Committee.
1) Is the decision consistent with the Budget/Policy Framework?	
2)	No – this report is integral in reviewing and amending the Budget and Policy Framework.
If not, Council approval is required to change the Budget/Policy Framework	
Suggested reason(s) for Decision:	To comply with statutory requirements.
Alternative options to be considered and recommended to be rejected:	There are no alternative options recommended for approval as the budget has been developed on the basis of an agreed framework with consultation carried out at appropriate times during the process.

Impacts analysed:

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

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

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

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

Revenue Budget and Proposed Council Tax for 2020/2021 and Medium Term Financial Plan 2021/2022 to 2024/2025**Report of the Executive Director of Corporate Services****1. Purpose of Report****1.1 To report:**

- the overall revenue budget position for 2021/2022;
- the projected reserves position as at 31st March 2021 and 31st March 2022 and advise on their sufficiency;
- a risk analysis of the Revenue Budget 2021/2022;
- a summary of the emerging medium term financial position facing the Council from 2021/2022 to 2024/2025 and associated Council Efficiency strategy; and
- any views received from the local Business Sector, 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 2021/2022 set out at Appendix J;
- recommend to Council the Medium Term Financial Plan 2021/2022 to 2024/2025 including Efficiency Strategy as set out in Appendix G and the potential use of Capital Receipts Flexibility set out at section 9 of the report;
- recommend to Council the proposed council tax for 2021/2022 at Appendix F (paper to be tabled); and
- note the views, expressed by the local Business Sector, Trade Unions and Scrutiny Coordinating Committee.

3. Introduction**3.1 In January 2021 Cabinet received an update on the budget position following the Provisional Local Government Finance Settlement 2021/2022. 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 2021/2022 and grant announcements;
- the estimation of business rates resources;
- the final forecast collection fund position for both council tax and business rates;
- confirmation of the 2021/2022 local government pay award;
- the continued impact of the Covid-19 pandemic on the Council, the city's residents and businesses; and
- inherent uncertainty and risk around deliverability of the savings proposals, and any transitional costs required in their delivery.

3.2 In presenting the Revenue Budget 2021/2022 this report covers the following areas:

- Final funding position at February 2021 (section 4);
- Spending Pressures and Commitments (section 5);
- Budget Reduction Proposals (section 6);
- Proposed Increase to council tax (section 7);
- Overall Budget Position 2021/2022 (section 8);
- Workforce Planning, Transformational costs and Capital Receipts Flexibilities (section 9);
- Medium Term Financial Position and associated Efficiency Strategy (section 10);
- Budget Consultation (section 11);
- Equality and the Budget Proposals (section 12);
- Balances and Reserves (section 13); and
- Detailed Revenue Budget 2021/2022 (section 14).

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. Final Funding Position February 2021

4.1 The January 2021 Cabinet report set out the provisional local government finance settlement for the Council and progress in relation to several outstanding uncertainties.

4.2 The final local government finance settlement has yet to be received. Should the final settlement contain any revisions to the draft settlement, these will be considered at the first quarterly review.

4.3 Further information about the grant changes in accordance with the provisional local government finance settlement is set out below, while section 5 sets out the final spending pressures and commitments to be taken into account in setting the budget for 2021/2022.

Local Government Finance Settlement

4.4 The Council awaits notification of the final settlement from the Government. Any changes in the final settlement will be considered at the first quarterly review. As such there is no change to the position set out in the January Cabinet report.

4.5 The Government uses a measure known as the Core Spending Power (CSP) to indicate the impact of changes in funding. For 2021/2022, this measure includes:

- Settlement Funding Assessment (SFA) comprising:
 - Revenue Support Grant (RSG);
 - Baseline Funding (Top Up Grant);
 - Assumed retained business rates;

- Compensation for the historic under-indexing of the Business Rates Multiplier;
- Council tax income, which the Government assumes that a 5% increase (2% core and 3% Adult Social Care Precept) is applied in addition to an assumed continued increase in the council tax base;
- Local government element of the Improved Better Care Fund;
- Social Care Grant;
- New Homes Bonus; and
- Lower Tier Services Grant.

4.6 CSP will increase by an average 4.51% nationally in 2021/2022. For Sunderland the increase is 4.55% as shown in the table below. As noted in previous reports, nationally, 87% of this increased spending power is derived from assumed council tax rises. Given Sunderland's relatively lower council tax base this proportion is lower, at 59%.

	2020/21 £m	2021/22 £m	change £m	change %
Settlement Funding Assessment	113.825	113.980	0.155	0.14%
Compensation for under-indexing Business Rates Multiplier (Section 31 Grant)	3.442	4.474	1.032	29.98%
Council Tax Requirement excluding parish precepts	104.870	111.622	6.752	6.44%
Improved Better Care Fund	18.134	18.134	0.000	0.00%
Social Care Grant	10.249	13.861	3.612	35.24%
New Homes Bonus	2.070	1.517	-0.553	-26.71%
Lower Tier Services Grant	0.000	0.499	0.499	100.00%
Sunderland Total Core Spending Power	252.590	264.087	11.497	4.55%
<i>Memorandum National Position</i>				4.51%

4.7 For Sunderland there was a 0.14% increase in SFA for 2021/2022. The low percentage increase is as a result of the business rates multiplier freeze for 2021/2022 for which councils are compensated through Section 31 grant funding. Although the Section 31 grant compensation is part of the Council's CSP, it is outside of the SFA element of funding. It should be noted that actual the business rates taken into account in the revenue budget is dependent on the Council's own position which is confirmed within the National Non-Domestic Rates ('NNDR') statistical collection Form 1 (budget forecast). The increase in Revenue Support Grant is in line with budget planning assumptions.

4.8 The Government will continue to compensate councils for any changes to nationally determined reliefs allowed for in the Business Rate regime. At present the Government have not confirmed any extensions to the Retail, Hospitality & Leisure and Nursery reliefs granted for 2020/2021 in response to the Covid-19 pandemic. It is anticipated that any business rates reliefs announced by the Government in respect of 2021/2022 would be confirmed in the Chancellor's Budget on 3rd March. The CSP includes an assumed allocation of £4.474m Section 31 grant in 2020/2021, with the actual figure received dependent on the Council's own NNDR position confirmed within the NNDR1 form submitted on 31st January 2020 and the value of any additional business rates reliefs subsequently announced by the Government.

4.9 Improved Better Care Fund

The Improved Better Care Fund (IBCF) allocation has continued at its current level, which is in line with the budget planning assumptions.

4.10 New Homes Bonus (NHB)

As announced by the Chancellor in his Spending Review the existing NHB scheme will continue for a further year. The financial impact of the extension was in line with our latest planning assumptions. The national quantum of funding available for distribution from the NHB has been permanently reduced as part of the settlement announcements, due to allocation increases elsewhere in the settlement being funded from this source, namely the new Lower Tier Services Grant, £150m of the additional funding for Social Care and the RSG increase.

4.11 Social Care Grant

As anticipated the current allocation of Social Care Grant has been maintained. In addition to this, the Chancellor announced as part of the Spending review a further £300m of grant funding nationally for Social Care from 2021/2022. As noted above, half of this funding is from recycled NHB funding. The basis for allocating the grant has been confirmed as part of the Provisional Settlement with Sunderland to receive £3.612m.

4.12 Lower Tier Services Grant

The Government has introduced a new unringfenced Lower Tier Services Grant for 2021/2022, which will allocate £111m to councils with responsibility for services such as homelessness, planning, recycling and refuse collection and leisure services. The grant will contain a one-off minimum funding floor (which protects District Councils), so that no council will have less funding available in 2021/2022 than the current year. Sunderland's allocation of this grant is £0.499m and was not previously included in our previous planning assumptions.

4.13 Public Health Grant

At the time of writing the individual allocations to local authorities for the Public Health grant remains outstanding. Financial planning continues to assume a freeze in this funding stream. The budget planning will be updated as required when the final grant allocation for 2021/2022 is known.

4.14 Housing Benefit and Council Tax Administration Grants

Similarly, the allocation for the Housing Benefit and Council Tax Administration Grants have yet to be notified. Again, financial planning assumes a freeze in this funding stream. The budget planning will be updated as required when the final grant allocation for 2021/2022 is known.

4.15 Troubled Families Programme Grant

The Troubled Families Programme was due to end in March 2021, but an extension to the programme into 2021/2022 has been confirmed with a further £165m nationally. Sunderland's allocation for 2021/2022 has now been confirmed at £1.008m, a small increase of £14,000 on 2020/2021. This includes an amount for outcome payments which the Council / Together for Children will continue to claim as appropriate.

4.16 Domestic Abuse Grant

The Government has committed an extra £125 million new burdens funding for local authorities to provide safe accommodation for victims of domestic abuse and their children. This new duty, included in the Domestic Abuse Bill, forms part of the Government's ongoing commitment to support families affected by domestic abuse. The budget planning will be updated as required when the final grant allocation for 2021/2022 is known.

4.17 Homelessness Grant

The Government has confirmed £310 million of funding targeted at areas with high numbers of homeless people, those at risk of homelessness, or those living in temporary accommodation - helping them to rebuild their lives. The funding represents a £47 million increase on the current year's allocation. Sunderland's allocation of this grant for 2021/2022 is £0.470m.

- 4.18 In addition to the above, at the time of preparing this report several minor grant allocations are also still to be announced by the Government. The outcome of allocations for these grants will be considered once received, and if any action required reported to Cabinet as part of the quarterly review process.

Council Tax

- 4.19 In accordance with the Localism Act the public have the right to approve or veto excessive council tax rises. The Government have proposed that a referendum principle will apply to all principal local authorities, Police and Crime Commissioners and Fire and Rescue Authorities.
- 4.20 In the Settlement, the Government confirmed the referendum threshold for 2021/2022, being that the core element is subject to a maximum increase of up to 2%. In addition, Social Care authorities can levy an additional 3% in respect of the social care precept. Any increase above the council tax limit will require a referendum to give the local electorate the opportunity to approve or veto the increase.
- 4.21 The 2020/2021 Collection Fund position is reported elsewhere on this agenda. The position has been impacted by the Covid-19 pandemic through an increase in residents claiming Local Council Tax Support and also a reduction in the collection rate reflecting the financial difficulties that our residents are facing. This has resulted in a forecast in-year deficit of £3.739m, which, in accordance with revised regulations issued by the Government needs to be spread equally over the 3 financial years 2021/2022 to 2023/2024. In addition,

the meeting of the 2019/2020 deficit needs to be addressed with £0.965m to be fully funded in 2021/2022. This impact has been reflected in the 2021/2022 budget and MTFP.

- 4.22 The Council, at its meeting on 27th January 2021, approved the council tax base for the area covered by Hetton Town Council (3,803) and the City Council area (70,045). The base has reduced from 2020/2021 as a result of the increased number of claimants and increased cost of the Local Council Tax Support Scheme.

Retained Business Rates

- 4.23 The NNDR1 form sets out the Business Rate income forecast for 2021/2022 and was submitted to the Government on 31st January 2021 in accordance with regulations. The amount of business rates to be retained by the Council for 2021/2022 is forecast to be £44.719m. It should be noted that due to the required technical treatment of the Covid Business Rate relief grant received during 2020/2021 to fully compensate the Council for the business rates reliefs announced by the Government, the business rates collection fund will have a significant deficit at the end of 2020/2021. The forecast retained business rates for 2021/2022 of £44.719m comprises; net £24.881m business rates income after taking in to account the brought forward deficit and £19.838m funded via a reserve holding the Covid Business Rates relief grant to support the funding of the 2020/2021 deficit.

Schools Funding

- 4.24 The School Funding announcement on 17th December 2020 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 2019 to October 2020:

	Provisional Allocations 2021/22	17-Dec Settlement 2021/22	Change in Funding 2021/21
	£m	£m	£m
Schools	185.702*	186.021	0.319
Central Services	1.273	1.318	0.045
High Needs	32.035	32.386	0.351
Total	219.010	219.725	0.715
Early Years	N/A	19.898	N/A
Total	219.010	239.623	

* Provisional Schools Block allocation excludes Growth Funding

- 4.25 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 2021 census data.

- 4.26 Cabinet agreed in January to the principles proposed by the Sunderland Schools Forum for the 2021/2022 Sunderland local funding formula. The National Funding Formula (NFF) is to be implemented with the following local adjustments, which were modelled so as to give an equitable settlement to all Sunderland schools whilst moving towards the NFF:
- The Minimum Funding Guarantee applied at 2.00% in line with the NFF value;
 - The Free School Meal proxy indicator set at a rate of £320.63 per pupil (NFF £460); (NB; alongside the Minimum Funding Guarantee, this proxy indicator does not reduce the funds available to schools for meals)
 - Transfer of 0.5% (£890,842) to the High Needs Block in recognition of ongoing pressures.
- 4.27 The Local Funding Formula was submitted to the Education and Skills Funding Agency on 20th January 2021.

Housing Rents

- 4.28 In June 2020 Cabinet approved the Housing Service Policy Framework. Within this Policy Framework was the Council's Rent and Service Charge Policy. This Policy set out that rents will be set in accordance with relevant Government policy and legislation and adhere to the Regulator of Social Housing Rent Standard April 2020. This Rent Standard states that Registered Providers must set rents from 1 April 2020 in accordance with the Government's Policy Statement on Rents for Social Housing 2018.
- 4.29 Therefore, in line with the Government's policy on rent setting it is proposed to increase rents in 2021/22 by CPI + 1%. CPI is calculated from September 2020 and is 0.5%. Therefore, the annual increase to rents in 2021/22 is 1.5%.
- 4.30 This will apply from 5th April 2021. Rent increase letters will be issued to all Council tenants providing them with their new rent levels week commencing 1st March 2021. This provides the required notice period to tenants on rent increases.

5 Spending Pressures and Commitments 2021/2022

- 5.1 When the Budget Planning Framework was approved in October 2020 and subsequently updated in December 2020 and January 2021, Cabinet agreed that the following spending commitments would be taken into account:
- provision in respect of a pay-award at 2%;
 - general contract inflation, including the likely impact on contract prices of the forecast increase in the National Living Wage;
 - appropriate provision for ongoing budget pressures including the impact of Covid-19;
 - the impact of demographic changes and complex needs in respect of adult social care;
 - the impact of demand pressures within Children's social care;

- funding to meet additional priorities, and
- provision for spending commitments in respect of debt charges and interest receipts.

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

Cross Cutting

- 5.3 Pay award

At this stage, no formal pay offer has been made for 2021/2022 or future years. Government has announced its intention for a pay freeze for public sector pay, other than for those earning less than £24,000 per annum. This arrangement is not binding on local government with pay awards being determined through the national collective bargaining arrangements. Pending a formal offer, the impact of a 2% pay award has been factored into the budget planning covering the Council, TfC and Sunderland Care and Support Ltd (SCAS), with the budget position kept under review.

- 5.4 Inflationary Increases

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

- 5.5 Economic Downturn

At this stage the pace and extent of recovery from Covid-19 is unknown, however, the impact is expected to continue into 2021/2022. The 2021/2022 budget and MTFP does recognise that some additional costs or reduction in income may arise that will be permanent, notably with regards to leisure and rental income. This sum is currently held in the budgeted contingency.

- 5.6 Budget Pressures and New Spending Priorities

Based on the third quarter budget monitoring position, including the delivery of savings proposals, appropriate provision has been made for ongoing budget pressures, outside of social care budgets.

Deputy Leader

- 5.7 Waste Disposal Pressure

The Council's current Materials Recovery Facility contract which processes all blue bin kerbside recycling collected will expire in March 2021, after a 6-year period. Market awareness about the likely service cost in 2021/2022, taking into account gate fees paid by neighbouring local authorities, suggests that costs will increase substantially and that the income received from recycled materials will reduce, due to a fall in demand. This reflects a changing recycled commodity market over several years since the previous contract was let which is outside the control of the Council.

Through the South Tyne and Wear Waste Management Partnership, options to award a 12-month contract commencing April 2021 are being progressed. This will allow time to develop a new contract which shares risk and rewards allowing better value for money in the medium term and to allow the Council flexibility around understanding the implications of the 2023 Environment Bill Resources and Waste Strategy. This is anticipated to move some of the burden of collecting consumer packaging from councils to industry, through waste producer compliance schemes and deposit return schemes.

As reported at the third revenue review there has been a significant increase in the volumes of waste being disposed of through the waste partnership agreement. It is considered likely that there will be some continuation of these increased volumes during 2021/2022 and in the future for which provision has been included in the 2021/2022 revenue budget. Taken together, there will be a budget pressure of £1.200m per annum in 2021/2022, this has been reflected in the budget.

5.8 Environmental Services

Work is currently underway within Environmental Services that has highlighted that additional staffing budgets will be likely in 2021/22 onwards. As this analysis will not be completed until the start of the new financial year, this budget will be held in the 2021/2022 contingency budget pending confirmation of the full budgetary requirement with updates during 2021/22 as part of the regular budget monitoring reports to Cabinet.

5.9 Pest Control

The charge for pest control services for customers in receipt of council tax support, where they are responsible for dealing with the issue, will be reduced by 50% from April 2021. A £0.081m increase has been made to the 2021/2022 budget to reflect the anticipated cost associated with this change.

Cabinet Secretary

5.10 Capital Financing / Debt Charge Pressures

The Council continues to be ambitious and investing in the City is a key element of the City Plan. It is important that the capital programme is affordable, and that the ongoing costs of funding capital activity are included in the revenue budget. A review of the approved capital programme delivery profile had previously identified temporary debt charge budget savings arising in 2021/2022. These savings have been partially offset by the proposed capital programme new start schemes for 2021/2022 which are subject to Cabinet and Council approval.

As announced in the Spending Review the 1% surcharge introduced in October 2019 on PWLB borrowing rates was removed by the Government on 26th November 2020, providing more advantageous borrowing terms at a time the Council has a significant capital programme.

A budget reduction of £2.500m has been factored in to the 2021/2022 budget which takes into account the above factors. However, it should be noted that a total additional provision of £11.130m over the period of the MTFP is incorporated to deliver the already approved capital programme and proposed 2021/2022 new start capital schemes.

5.11 Housing Benefit Overpayment Pressure

The Council has, for a number of years, had a contractual arrangement with Gentoo for the repayment of overpaid Housing Benefit, whereby Gentoo took on the liability up to a certain threshold for recovery from its tenants. The transfer agreement allowed for these arrangements to be reviewed by both parties, which has now been undertaken. The contract review has amended the position with the Council, in line with other housing benefit overpayments, being responsible for recovery from 1 April 2021, with the financial impact of £0.600m being factored into the 2021/2022 budget accordingly.

Children Learning and Skills

5.12 Inflationary increase

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

5.13 Demand Pressures

As agreed by Cabinet as part of the Budget Planning Framework in December, the demand pressure for 2021/2022 for TfC is to be contained within the existing contract sum. However, following the Provisional Settlement and a review of the consultation responses, one-off funding of £0.500m is to be provided to TfC in 2021/2022 to support forecast pressures.

5.14 Social Impact Bond

The Council and TfC are working on a procurement for a social impact bond in relation to supporting a group of clients that are not in education, employment or training. The cost of this work is expected to be up to £0.090m over the next 3 years although the final cost and timing is not yet known as payments are only made on the basis of the provider delivering against agreed objectives. The cost of this will be met from contingencies.

Health and Social Care

5.15 Adults Demand Pressures

Pressures in both the NHS and Adult Social Care continue with the number of older people requiring care increasing. In Sunderland, it is forecast that the number of older people aged 65 years and over will rise from around 54,500 in 2019 to 70,200 by 2035 (an increase of 29%) and the number of people aged 85 years and over (i.e. those with the greatest care needs), is forecast to rise from around 6,100 in 2019 to 10,000 in 2035 (an increase of 64%). This gives a sense of the mounting pressure that Sunderland's ageing population is likely to have on the delivery of Adult Social Care.

The increasing longevity of the population continues to place a significant pressure on Adult Social Care 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. Sunderland Clinical Commissioning Group (SCCG) have established an alliance to deliver integrated community care in Sunderland. Commissioners (SCCG and the Council) and providers have worked collaboratively to develop the alliance approach for Sunderland.

Demand for social care packages to support hospital discharges has increased significantly over recent months due to the Covid-19 pandemic, and this is likely to continue given the national focus on delayed transfers of care and the Council's aim to maintain its high level of performance.

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. Prudent provision has been included within the budget planning in relation to assumed increases.

The publication of the Adult Social Care Green Paper has been delayed several times. However, the Green Paper has now been abandoned and instead a cross-party consensus on reforming social care funding will be developed during the next year or so. Any further delay will significantly impact on councils' abilities to plan ahead. There is still no clear indication of the shape of reform, with many options been being considered.

Provision for additional increased Adult Social Care of £1.500m relating to demand has been included in the MTFP and will be kept under review.

5.16 Inflationary increases

The Government implemented the National Living Wage with effect from April 2016 at £7.20. This has increased annually, with the rate for April 2021 increasing to £8.91. The National Living Wage represents a significant additional cost pressure for councils through external contract suppliers passing the cost on through increased contract prices. This is particularly applicable for Adult Social Care. Appropriate provision for contract inflation has been factored into the budget.

Dynamic City

5.17 Housing Services Staffing

The Council are facing increasing challenges in the management and support of a range of vulnerable groups. These range from Asylum Seekers, as the National Dispersal Programme continues, to Gypsies and Travellers, as we holistically manage our Unauthorised Encampments Policy. To ensure that the Council is able to co-ordinate this work effectively, 2 new posts are proposed. This budget of £0.078m will be held in the 2021/2022 contingency budget pending confirmation of the full budgetary requirement.

Provision for Covid-19 Contingency

In response to the Covid-19 pandemic the Government have confirmed initial funding allocations for 2021/2022. In addition, the Council has made further provision for response requirements as part of its budget planning.

5.18 2021/2022 Covid-19 Funding Support

The Government's November 2020 Spending Review announced an additional £1.55bn of Covid general grant funding for councils in 2021/2022. Sunderland's allocation of this funding has now been confirmed and totals £8.914m (tranche 5). As 2021/2022 Covid-19 related expenditure pressures on the Council will not be fully understood until the new financial year, at this time it is prudently assumed that this additional grant funding will be fully required to meet expenditure over and above the current base budget and existing budget planning cost pressures.

5.19 Local Council Tax Support Grant

A national sum of £670m is to be provided to billing authorities and separately to precepting bodies to reflect the impact on the Council Tax base and cost of the Local Council Tax Support scheme during 2021/2022, as a result of the Covid-19 pandemic. The allocation for the Council, to be paid as an unringfenced section 31 grant, totals £3.668m. At this stage it is intended that this will be fully utilised to support the additional costs of the Local Council tax Support Scheme and through supporting our most vulnerable residents, offsetting the impact of any council tax increase as well as further reducing the amount they would otherwise have to pay. The Council is proposing to continue to award hardship relief of up to £150 to all working age local council tax support claimants in respect of their council tax liability for 2021/2022. It is anticipated that this will again mean c. 16,500 residents will have no council tax to pay in relation to 2021/2022.

5.20 Covid-19 Response Fund

The impact that the Covid-19 pandemic will have into 2021/21 remains uncertain but is clear that additional support will be required to help our communities. Work is ongoing at present to ensure that the various specific and general funding from the Government is being utilised as effectively as possible. After taking into account the range of support already in place alongside requests from our communities for additional support, a Covid-19 Response Fund is being created.

Its exact usage will be developed over coming weeks to ensure it is targeted appropriately, but as part of the budget proposals funding of £1m within contingencies is being made. Its usage will be monitored during 2021/2022 through the normal regular budget monitoring reports to Cabinet.

- 5.21 A summary of the spending pressures and commitments set out in section 5 is set out in the following table:

	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m
Spending Pressures and Commitments					
Pay, Prices and Other Pressures including Contract Inflation	7.842	9.025	12.761	9.782	39.410
Neighbourhoods - Adults Demand Pressures	1.500	1.000	1.000	1.000	4.500
Together for Children - Demand Pressures	0.000	0.500	0.500	0.500	1.500
Capital Financing (Debt Charges)	(2.500)	8.000	2.630	3.000	11.130
Pensions Actuarial Review	0.000	0.000	10.000	0.000	10.000
MRF and Waste Disposal Volumes	1.200	0.000	0.000	0.000	1.200
Housing Benefit Overpayment	0.600	0.000	0.000	0.000	0.600
Contingencies Review	(0.500)	(1.500)	0.000	0.000	(2.000)
Environmental Services	0.500	0.000	0.000	0.000	0.500
Potential Covid-19 Pressures	3.200	0.600	0.000	0.000	3.800
Transport Levy Rebate	(0.292)	0.292	0.000	0.000	0.000
Culture House	0.000	0.000	1.000	0.000	1.000
Total Spending Pressures and Commitments	11.550	17.917	27.891	14.282	71.640

6 Budget Reduction Proposals

- 6.1 Additional budget reduction proposals were approved at December's Cabinet to be taken forward through the budget process for consideration by Scrutiny Coordinating Committee and for the purposes of consultation.
- 6.2 Taking account of the above, a suite of budget reductions, focused on 2021/2022 is included for within the budget plans, as summarised by Portfolio in the table below. Further detail on each of the budget reduction proposals are set out at Appendix A, but these are broadly unchanged from previous Cabinet reports.

Portfolio	Savings Proposal 2021/2022 (£m)
Leader	0.421
Deputy Leader	2.109
Cabinet Secretary	0.797
Children, Learning and Skills	1.688
Dynamic City	0.511
Healthy City	0.641
Vibrant City	0.140
TOTAL Savings Proposals 2021/2022	6.307

6.3 Those savings which have been identified as having a potential equalities impact have been subject to a full Equalities Analysis assessment. The assessments are provided as a weblink within Appendix A.

6.4 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 MTFP and attached to this report as Appendix Gi).

7 Proposed Council Tax Increase 2021/2022

7.1 In order to prevent further cuts to front line services, enable some essential investment in key priorities and minimise the use of reserves, it is proposed to increase the council tax and the social care precept for 2021/2022 in line with the Government's assumptions when determining funding levels for councils for 2021/2022.

7.2 Consultation undertaken as part the 2021/2022 budget setting process asked respondents whether they supported increases in council tax within the Government's referendum limit.

7.3 As set out in section 11, whilst it was clear from many comments that increases in council tax were not desirable, people did recognise the need for a balanced budget. 63% of respondents agreed to an increase of 2% or above, with the majority agreeing to a 2% increase.

7.4 The referendum limits set out in the local government settlement for 2021/2022 enable the combined council tax and social care precept to be increased by up to 4.99% without the need for a referendum.

7.5 For 2021/2022 it is proposed to increase core council tax by 1.99% and to increase the social care precept by 3%, resulting in a combined increase of 4.99% i.e. within the referendum limit permitted by the Government.

7.6 The formal decisions of the major precepting bodies are awaited regarding their precept proposals for 2021/2022. Consequently, the proposed council tax for 2021/2022 will be tabled as Appendix F to this report at the Cabinet meeting on 9th February 2021.

8 Overall Budget Position 2021/2022

- 8.1 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 2021/2022 taking into account proposed council tax and social care precept increases and £2.248m use of reserves. There remains a budget gap of £35.690m for 2022/2023 to 2024/2025.

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
	£m	£m	£m	£m	£m
Governement Grant Change	(4.142)	(2.430)	(1.253)	(1.299)	(9.124)
On-going Spending Pressures	11.550	17.917	27.891	14.282	71.640
Total Gross Funding Gap	7.408	15.487	26.638	12.983	62.516
Savings Proposals	(6.307)	0.000	0.000	0.000	(6.307)
Assumed Council Tax Social Care Precept increase	(5.137)	(2.211)	(2.315)	(2.373)	(12.036)
Council Tax Base Impact	2.398	(2.907)	(3.407)	(0.595)	(4.511)
Council Tax Deficit Impact	2.211	(0.965)	0.000	(1.246)	0.000
Business Rates - Base and Inflationary impact (inc.prior years)	1.675	(1.765)	(1.948)	(1.934)	(3.972)
Current MTFS Gap after agreed savings proposals, council tax and business rates	2.248	7.639	18.969	6.834	35.690
Use of Reserves 2021/2022	(2.248)	2.248	0.000	0.000	0.000
Current MTFS Gap after agreed savings proposals, grant, council tax and Business Rates changes	0.000	9.887	18.969	6.834	35.690

- 8.2 It should be noted that this medium term position assumes that should the new fair funding formula and revised system of retained business rates be introduced in the MTFP period that the impact on the Council will be neutral. Should the Council's funding reduce as a result of any changes, Government has in the past used damping to limit any detrimental impact on formula changes, and it is widely anticipated that some form of damping arrangements will continue under any new system.
- 8.3 The Council's response to addressing the MTFP funding gap needs to be through the delivery of ongoing sustainable savings. The Council's Chief Officer Group are to commence a savings planning process to develop the savings proposals required to meet the current MTFP gap, for implementation in 2022/2023 or before where possible to do so. These will be considered and approved by Cabinet and Council as appropriate.

9 Workforce Planning, Transformational Costs and Capital Receipts Flexibilities

- 9.1 Some of the 2021/2022 budget reduction proposals outlined in section 6 have staffing implications. These will be managed through the Council's Redundancy Policy and Procedure as necessary. It should also be noted that officers are continually reviewing resource allocations to ensure that staffing arrangements are fit for purpose.

- 9.2 At this stage it is proposed that any cost of redundancy payments and the release of pensions as required by the LGPS Regulations will be met from a combination of utilisation of capital receipts flexibilities (which currently applies until 2021/2022 only) and from within the overall corporate resource position at outturn each year, should the position allow. This position will be kept under review and updated as part of the Budget proposals to Cabinet.
- 9.3 The Council's Efficiency Strategy is set out at Appendix Gi) and supports the Government's requirements in making use of these flexibilities. The requirements in respect of prudential indicators are reflected in the Capital Programme 2021/2022 to 2024/2025 and Treasury Management Policy and Strategy 2021/2022 report elsewhere on this agenda. At this stage however, individual transformational projects that will require capital receipt support are not yet developed.
- 9.4 The position will be kept under review throughout the year as transformational costs and capital receipts generated are finalised. Final arrangements on funding transformational costs arising in 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. Should the use of capital receipts be required, this will be reported, with project details.

10 Medium Term Financial Position

- 10.1 In considering the Revenue Budget for 2021/2022, 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 MTFP 2021/2022 to 2024/2025 is set out at Appendix G.

11 Budget Consultation Results 2021/2022

- 11.1 Cabinet agreed the proposed consultation and communication arrangements in October 2020 as part of the Budget Planning Framework 2021/2022.
- 11.2 As outlined in the October report to Cabinet, the budget consultation in 2020 is focusing on feeling informed, the priorities within the City Plan and views on how Council budget priorities are allocated. With clear messages focusing on the longer-term budget challenge, the scale of what we do and how the money is spent will accompany this consultation.
- 11.3 Initial engagement was consistent with the successful Let's Talk initiative; this has had to be mainly carried out on-line given the restrictions of the current Covid-19 pandemic on face to face consultation. This had an obvious impact on the level of responses received at 71.

- 11.4 Following December's Cabinet meeting the formal consultation was launched, running from 14th December and closed on 14th January 2021. Again, due to the pandemic this was undertaken online with a range of communications to advertise the consultation via social media, with targeted campaigns, the Council website and via ward councillors. 213 responses were received. The survey results are set out in detail at Appendix C.
- 11.5 In general, people agreed with the proposals as set out, although it is important to note that there were a range of qualitative responses as well which provided further context. 63% of respondents agreed to a Council Tax increase of 2% or above, with the majority agreeing to a 2% increase.
- 11.6 Existing networks have been utilised to communicate and raise awareness of the consultation with a range of partners including Trades Unions, North East Chamber of Commerce and Sunderland Business Improvement District, and the schools' forum.
- 11.7 Feedback and commentary from the formal consultation with Trade Unions and Business representatives is set out at Appendix D.
- 11.8 At each stage in the budget process Scrutiny Committee is being consulted. Comments from Scrutiny Coordinating Committee are set out at Appendix E.
- 11.9 All of the feedback from the various consultations has been considered in bringing together the budget proposals in this report.
- 11.10 Reflections from the 2021/2022 budget consultation will help inform proposed arrangements for future budget consultations. Scrutiny Co-ordinating committee will be engaged in this process.

12 Equality and the Budget Proposals

- 12.1 The Equality Act 2010 places a specific duty on Local Authorities through the Public Sector Equality Duty. The Act requires Local Authorities to give 'due regard' to the three aims of the duty to: eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act; advance equality of opportunity between people who share a protected characteristic and those who do not; and to foster good relations between people who share a protected characteristic and those who do not. Understanding the effect of decisions on people with different protected characteristics is an important part of complying with the general equality duty.
- 12.2 The Council continues to seek to meet its obligations in relation to equality and diversity and has procedures in place at both a general and budget specific level to incorporate equality and diversity issues into decision making processes and the assessment of proposals.

- 12.3 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, their judgements along with full Equality Analysis assessments where applicable are outlined at Appendix A.
- 12.4 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.

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

13 General Fund Balances and Position in Relation to Major Reserves

- 13.1 In considering the level of general balances as part of budget preparation decisions, regard is given to:
- known commitments against balances in future years; and
 - financial risks faced by the Council and the measures in place to mitigate them or meet them financially.
- 13.2 The estimated level of general balances as at 31st March 2021 and 31st March 2022 is included within the detailed budget at Appendix J.
- 13.3 In accordance with best practice, including the Cipfa financial management code and being cognisant of Cipfa's resilience index, 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.
- 13.4 The Council has a range of earmarked reserves. The major earmarked reserves are set out at Appendix I for information. In accordance with best practice this includes details of the purpose of the reserve as well as their forecast balance as at 31st March 2021 and 31st March 2022. Reserves held with a value of under £1 million are consolidated for presentational purposes. Members will appreciate that the position on these reserves is dependent on a number of factors, not least the outturn position for 2020/2021 and the use of reserves to fund the capital programme. For forecasting purposes, a prudent approach is taken, with updates provided as part of the quarterly reviews to Cabinet.
- 13.5 In accordance with Part 2 of the Local Government Act 2003 there is a requirement for the Chief Financial Officer (CFO) to report upon the robustness of the estimates and the level of reserves. In making the statement, the CFO places reliance on information provided to him by other officers of the Council as part of the budget setting process. This process involves reasonable checks and other verification, which is undertaken in accordance with the overall system of internal control to validate the information provided.

- 13.6 For Sunderland, the CFO is the Executive Director of Corporate Services, who can confirm that:

Based upon the information used in determining this Revenue Budget 2021/2022 report, including specifically:

- the approach to budget consultation;
- the medium term financial position set out in Appendix G;
- the risk analysis set out in Appendix H;
- the earmarked reserves set out in Appendix I; and
- the statement of general balances and detailed budget (Appendix J);

The Revenue Budget is considered robust and the level of reserves considered to be adequate for 2021/2022 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 2020/2021 is in accordance with the existing policy and is considered prudent and robust given the overall level of reserves.

14 Detailed Budget 2020/2021

- 14.1 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.
- 14.2 The Total Budget Requirement to be approved by the Council is funded through:
- Revenue Support Grant;
 - Retained business rates;
 - Top Up Grant; and
 - Council tax and Social Care Precept.
- 14.3 The general summary page of the revenue budget together with details of the proposed contingency and the detailed revenue budget 2021/2022 for each Portfolio is included as Appendix J. All changes have been incorporated into the Budget.
- 14.4 The formal decisions of the major precepting bodies are awaited regarding their precept proposals for 2021/2022. Consequently, the proposed council tax for 2021/2022 will be tabled as Appendix F to this report at the Cabinet meeting on 9th February 2021.

Service Reporting Code of Practice

- 14.5 The presentation of the budget book shows 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 ensures 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.
- 14.6 It should be noted that variations between the budget for 2020/2021 and 2021/2022 have arisen as a result of:
- temporary budget adjustments in 2020/2021;
 - the implementation of spending pressures referred to in this report;
 - the implementation of the budget reductions referred to in this report; and
 - 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

- 14.7 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.

15 Crime and Disorder

- 15.1 Consideration has been given to the options for savings about their potential impact on crime and disorder (Section 17 Duty). No existing proposals have been identified as having a negative impact.

16 Suggested Reason for Decision

- 16.1 To comply with statutory requirements to approve a balanced budget for the coming financial year.

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

[Budget Planning Framework and Medium Term Financial Plan 2021/2022 - 2024/2025](#)

(13 October 2020 Cabinet)

[Budget Planning Framework and Medium Term Financial Plan 2021/2022 - 2024/2025](#)

(8 December 2020 Cabinet)

[Revenue Budget 2021/2022 to 2024/2025 – Update and Provisional Local Government Finance Settlement 2021/2022](#)

[Council Tax Base 2021/2022](#)

(12 January 2021 Cabinet)

List of Appendices

Appendix A – Budget Savings Proposals

Appendix B – Equality and Budget Proposals

Appendix C – Budget Consultation 2021/2022 Results

Appendix D – Formal Budget Consultation Meetings

Appendix E – Scrutiny Co-ordinating Committee Consultation on the Budget 2021/2022

Appendix F – Proposed Council Tax for 2021/2022

Appendix G – Medium Term Financial Plan (MTFP) 2021/2022 – 2024/2025

Appendix Gi) – Efficiency Strategy

Appendix Gii) – MTFP 2021/2022 to 2024/2025 Risk Assessment

Appendix H – General Balances – Financial Risk Analysis

Appendix I – Earmarked Reserves – Position Statement

Appendix J – Revenue Budget 2021/2022

Budget Savings Proposals

1. **Leader Proposals – Total Saving £0.421m (2021/2022)**
- 1.1 **L1 - Removal of vacant posts across Corporate Services within the Leader portfolio (Saving £0.270m in 2021/2022)**

Removal of vacant posts in Corporate Services, within the Leader portfolio, arising from changes in Chief Officer posts agreed by HR Committee in August 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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment:	

1.2 L2 - Review of operational arrangements and general budgets within the Policy team (Saving £0.151m in 2021/2022)

Review of operational arrangements and general budgets within the Policy Team to remove vacant posts and unused subscription 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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment: This is a review of predominantly staffing vacancies and supplies and services budgets within the Policy Team and will be focused on vacant posts in the main.	

2. Deputy Leader Proposals – Total Saving £2.109m (2021/2022)

2.1 DL1 - Removal of vacant posts across various City Development services within the Deputy Leader portfolio – (Saving £0.210m in 2021/2022)

There are a number of functions across the City Development Directorate which historically generate underspends due to ongoing issues in relation to recruitment and retention of staff. The main areas affected by this are Parking Services and School Crossing Patrols. This proposal therefore seeks to reduce the budgets in these areas prudently in line with the historical underspends.

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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
<p>Additional Comment:</p> <p>Historically over a number of years there have been issues with regards to recruiting and retaining Civil Enforcement Officers. At present there are a number of vacant Civil Enforcement Officer posts and it is proposed to delete 3 of these posts to realise a saving. Whilst enforcement of parking arrangements does have a positive impact on equality groups such as those with disabilities or the elderly, it is felt that the deletion of the vacant posts would have neutral impact as in effect the service has always operated with a reduced resource.</p> <p>Similarly, in the School Crossing Patrol service there have been historical issues in recruiting School Crossing Patrollers to a number of sites which has resulted in service underspends over recent years. On the basis that this situation has existed over a number of years it is proposed that a prudent reduction be made to the budget which will still enable some flex in the service if issues arise in the future. Whilst the provision of School Crossing Patrols has a positive impact on the young, disabled and elderly, it is felt that this budget reduction would have a neutral impact as it is in effect not proposing any changes to the actual service delivery in real terms.</p> <p>The remaining element of the saving relates to the deletion of a vacant Highways Officer post that was recently created to provide support to the Highways Licence Permit function but it is no felt is surplus to requirements and a reduction in the hours of post in the Transportation Development Function neither of which would impact on equality of service provision.</p>	

2.2 DL2 - Review of the business centre management, staffing and operational arrangements across the business centre sites – (Saving £0.124m in 2021/2022)

The review will focus on continued development and delivery of the ongoing transformation programme, taking forward a collective approach to management of the Council's three Business Centres including associated staffing arrangements and security operations.

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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment: The efficiency saving is operational in nature and does not have an impact on the public however any staffing related element will be subject to the standard consultation process.	

2.3 DL3 - Asset and Network Management - additional fees and charges through income generation – (Saving £0.200m in 2021/2022)

New processes regarding Highways licenses have recently been introduced that has seen an increase on the demand for temporary road closures and traffic management arrangements resulting in additional revenue generation opportunities.

The team is also looking at maximising the return from Out of Home (OOH) advertising opportunities including procuring a new contract for digital bus shelter and free standing unit provision and expanding the large format screen offer across the city.

Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: No equality analysis is required as the proposals are around income generation from businesses rather than the public. Although no equality analysis is required, it is felt that the proposal around Highways Licensing Permit scheme will have a positive impact as it will encourage utility companies and developers to minimise the disruption they cause to the highway.	

2.4 DL4 - Parking Services - additional permit income – (Saving £0.040m in 2021/2022)

A review of parking permits across the city with a charge for all permits and revised charging on existing permits. This could include the introduction of a charge for the first permit that households get and would be introduced when a scheme had been operating for an agreed period of time.

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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment: It is proposed that 1 year after the introduction of a Controlled Parking Management Scheme (CPMS), the Council will also levy a charge of £10 on each initial permit to assist with the recovery of its costs. It is felt that the introduction of the charge will have a neutral impact on all equality groups as it will be universally applied.	

Link to [DL4 Equality Analysis](#)

2.5 DL5 - Reconfiguration of overseas inward investment support – (Saving £0.035m in 2021/2022)

The Council currently has arrangements in place on a retainer basis to provide insight and support focused on inward investment from the United States and Japan. It is proposed that the arrangements be renegotiated to a call-off contract basis and include scope for support linked to international trade opportunities 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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The proposal is contractual in nature and does not affect the public directly therefore no equality analysis is required.	

2.6 DL6 - Building services - additional income generation – (Saving in 2021/2022 £0.970m)

A range of income generating opportunities and service growth will be undertaken across the service. Work will be carried out with SCAS, the Housing Renewal Programme, schools and other external organisations.

Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The proposal is bringing into the budget new income and as such there is no equality impact	

2.7 DL7 - Catering Service - review of service delivery arrangements – (Saving in 2021/2022 £0.045m)

A review of staffing arrangements within the Catering Service to 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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment:	

2.8 DL8 - Additional income generation across a range of services – (Saving in 2021/2022 £0.101m)

A range of income generating opportunities and service growth will be undertaken across various services including trade refuse and recycling, bereavement and pest control.

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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
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.	

2.9 DL9 - Fleet Management - review of maintenance requirements and operational arrangements – (Saving in 2021/2022 £0.125m)

A review of vehicle usage and service provision will be undertaken including identifying external income opportunities.

Equality Analysis

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

2.10 DL10 - Building Cleaning - review of service delivery and operational arrangements – (Saving in 2021/2022 £0.107m)

A review of service delivery and operations that will identify new service arrangements that will enable growth and additional future income.

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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The proposal is bringing into the budget new income and as such there is no equality impact.	

2.11 DL11 - Neighbourhood Services - miscellaneous general budget reductions – (Saving in 2021/2022 £0.059m)

A review of staffing arrangements and service provision across a number of services including waste collection and community 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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: It is considered that an Equality Analysis is not required as there will be no impact on front line service delivery.	

2.12 DL12 - Review of operational arrangements and deletion of vacant post within the Communications Team (Saving £0.093m in 2021/2022)

Review of operational arrangements within the Communications Team and removal of vacant post.

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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: This efficiency is based upon the removal of a vacant post hence an Equality Analysis is not required.	

3. Cabinet Secretary Proposals – Total Saving £0.797m (2021/2022)

3.1 CS1 - Review of operational arrangements within Capital projects and Landscaping service – (Saving £0.036m in 2021/22)

A review of the structure within the Landscaping Team has been undertaken and has identified a saving that is possible through a modest staffing reduction and rationalisation with additional capacity going forward funded as required through income generation.

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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment: Savings will be made through reducing the size of the Landscape Team by one post whilst maximising income opportunities via improved collaborative working across the Capital Projects function.	

3.2 CS2 - Removal of vacant posts across Corporate Services within the Cabinet Secretary portfolio (Saving £0.244m in 2021/2022)

Removal of existing vacant posts across Corporate Services within the Cabinet Secretary portfolio in line with service requirements.

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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: This efficiency is based upon the removal of vacant post hence an Equality Analysis is not required.	

3.3 CS3 - Additional external income generation (Saving £0.052m in 2021/2022)

Inclusion of ongoing additional external income currently not budgeted for within Corporate 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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: It is considered that an Equality Analysis is not required as this efficiency will be achieved through including additional income that is currently generated from the delivery of services to a broader range of customers but does not have an impact on the public.	

3.4 CS4 - Security Service - review of staffing arrangements (Saving £0.010m in 2021/2022)

Standardise staffing for all rotas within the City Alarm and Emergency Control room to 2 staff / shift. Reduction in use of Permanent Variable Hours staff.

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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: This efficiency is in relation to a reduction in the use of additional hours and Permanent Variable Hours staff and therefore an Equality Analysis is not required.	

3.5 CS5 - Insurance Service - Supplies and Services budget review (Saving £0.010m in 2021/2022)

Reduction in cost of external insurance brokers.

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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The saving relates to a reduction in third party spend. Items will not have any impact therefore an Equality Analysis is not required.	

3.6 CS6 - Property Service - review of staffing (Saving £0.025m in 2021/2022)

Rationalisation of internal courier 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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment: This efficiency is based upon staffing changes due to a reduction in workload.	

3.7 CS7 - ICT Service - Review of operating arrangements (Saving £0.140m in 2021/2022)

Reduction in external annual maintenance and support through implementing alternative 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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The saving in the main relates to a reduction in third party spend. Items will not have any impact therefore an Equality Analysis is not required.	

3.8 CS8 - ICT Service - Review of operational budgets (Saving £0.160m in 2021/2022)

Review of operational budgets within the service including more efficient use of telephony solutions across 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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The saving relates to a reduction in specific budgets. Items will not have any impact therefore an Equality Analysis is not required.	

3.9 CS9 - Smart Cities - review of operational arrangements (Saving £0.120m in 2021/2022)

Smart Cities - review of service operating arrangements to deliver a more efficient 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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment: This efficiency is based upon staffing changes. There is no impact on the public as this relates to internal operating arrangements.	

4. Children, Learning and Skills Proposals – Total Saving £1.688m (2021/2022)

4.1 CH1 - Safeguarding Unit - review of services delivery arrangements – (Saving in 2021/2022 £0.043m)

Service delivery arrangements including staffing within the Safeguarding Team reviewed in line with new requirements 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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The unit is a business support type function and has been realigned to meet the changes from the requirements of a Statutory Safeguarding Board to the differing needs of a Safeguarding Partnership. The budget for Serious Case Reviews has also been realigned to current demand but we will continue to respond accordingly and expect partners to offer a contribution if the number goes up (not currently anticipated). There is no equality impact arising from these proposals.	

4.2 CH2 - Learning and skills - additional income from non-ESFA courses – (Saving in 2021/2022 £0.005m)

A review of income generating opportunities from non-ESFA funded courses.

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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
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.	

4.3 CH3 - Reduction in support to Together for Children – (Saving in 2021/2022 £1.500m)

2021/22 Cost Reduction Initiatives through the Transformation Programme and Cost run-rate 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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment:	

Link to [CH3 Equality Analysis](#)

4.4 CH4 - Derwent Hill - review of service arrangements – (Saving in 2021/2022 £0.037m)

A review of staffing arrangements to remove vacancies within Derwent Hill to 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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment:	

4.5 CH5 - Derwent Hill - additional income generation – (Saving in 2021/2022 £0.103m)

Maximise opportunities to increase income brought into the service area.

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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
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 / commercial clients.	

5. Dynamic City Proposals – Total Saving £0.511m (2021/2022)

5.1 DC1 - Building Control - additional fees and charges through income generation – (Saving £0.023m in 2021/2022)

The Building Control Service will generate additional income through a review of fee charges for applications and winning external work on major developments as well as maximising income from Council led developments being delivered by third parties.

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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The savings are income related and do not have a direct impact on the public as the service is in competition with the private sector and is subject to market forces.	

5.2 DC2 - Review service delivery arrangements within the planning services – (Saving £0.117m in 2021/2022)

A review of the Economic Regeneration structure linked to planning policy and the associated areas of specialist expertise that inform planning policy and support development management functions, with a view to reviewing the level of retained in-house resource with provision to supplement this where required through contracted specialist support.

Equality Analysis

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

5.3 DC3 - Regeneration Team - additional fees through income generation – (Saving £0.246m in 2021/2022)

A review of the Economic Regeneration structure linked to regeneration projects and delivery. It is proposed that staffing costs would be recovered on a project by project basis against delivery of approved capital schemes and relevant external funding programmes.

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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
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.	

5.4 DC4 - Income generation from the Housing Delivery and Investment Plan– (Saving in 2021/2022 £0.125m)

Income generation from the Housing Delivery and Investment Plan (Helping Hands, Temporary Accommodation and Disabled Facilities Grants).

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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The proposal is bringing into the budget new income and as such there is no equality impact	

6. Healthy City Proposals – Total Saving £0.641m (2021/2022)

6.1 H1 - Improved use of technology enabled care – (Saving in 2021/2022 £0.141m)

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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment:	

Link to [H1 Equality Analysis](#)

6.2 H2 – Learning Disabilities (including Transitions) - review of arrangements to achieve a 2% reduction in net spend – (Saving in 2021/2022 £0.500m)

Work areas to review and new provision options to consider, to generate savings include:

Community based respite - having a temporary fully trained carer living with customers in their own home (live in-home care); with block book arrangements

Community based day services - friendship networks; access to universal services

Personal Assistant offer - alternative to home care and day services; linked to community-based day services and opportunities

Shared Lives - alternative to supported living and/or residential care; respite offer; day service offer

Development of an educational offer for children/young adults with disabilities - alternative to out of city placements; define the educational offer required; identify funding streams

Increase employment opportunities for people with disabilities - working with large national and local employers

Clarify roles and responsibilities between TfC and ASC in order to improve transitions

Stimulate market for people going through transitions - joint commissioning opportunities

Extra Care - Intergenerational living option; Alternative to supported living and/or residential care

Positive Behaviour Support (PBS) - Incorporate PBS into contracts going forward; develop PBS strategy across the provider market; develop PBS training offer for carers

Continued work across the system to explore technology, equipment and other means to reduce the need for additional 1 -1 support within packages and provide support in line with the less-restrictive ethos of the Mental Capacity Act.

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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment:	

Link to [H2 Equality Analysis](#)

7. Vibrant City Proposals – Total Saving £0.140m (2021/2022)

7.1 V1 – Schools' Library Service - review of service delivery arrangements – (Saving in 2021/2022 £0.068m)

Review of service delivery arrangements relating to the schools' library service including planned exit strategy in 2021.

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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment: Working with Together for Children there is the potential for this proposal to have a neutral impact	

Link to [V1 Equality Analysis](#)

7.2 V2 - Removal of vacant posts within Cultural Team – (Saving in 2021/2022 £0.014m)

A review of staffing arrangements within the Sunderland Museum and Winter Gardens to 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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment:	

7.3 V3 - Environmental enforcement - additional income generation arising from enforcement activity – (Saving in 2021/2022 £0.005m)

Additional income generation arising from enforcement 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 savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: It is considered that an Equality Analysis is not required as this efficiency will be achieved through the generation of additional income.	

7.4 V4 - Neighbourhood Services - miscellaneous general budget reductions – (Saving in 2021/2022 £0.053m)

Savings across a number of areas from reducing the budget previously available for elements of programme and support.

Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: No outward impact to the elements associated with culture and events - proposals linked to delivery budgets.	

Equality and 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; and
 - 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; and
 - tackle prejudice and promote understanding.

2 How equality analysis informs the budget-setting process

- 2.1 Individual proposals for savings are reviewed to determine whether equality analysis is required. Where equality analyses are required, and negative impacts are identified, it is the responsibility of the services to minimise these as far as possible. A standard approach is taken each year to ensure:
- equality considerations are given to each new savings proposal;
 - proposals agreed in previous years are reconsidered to ensure planned equality analysis has been completed or refreshed, where appropriate; and
 - and where equality analysis is finalised, a sampled quality assurance process takes place to ensure the relevant considerations are being made in a thorough manner.

3 Consultation

- 3.1 The consultation approach is outlined at paragraph 11 of the main report. Surveys are carried out to inform key plans and activity in the Council and they also collect demographic data. This is analysed to help inform equality considerations, where possible, although specific comments were not attributable to demographic groupings. Communications and consultations are focussed on a range of groups and communities to maximise involvement. As is noted in the consultation summary, due to the pandemic consultation activity had to be restricted to online surveys this year.

4 Key Messages

- 4.1 The equality considerations are summarised into key judgements, evidenced at Appendix A.
- 4.2 The assessment of impacts concluded that five of the proposals required an equality analysis to be carried out, these are;
- DL4 – Parking Services – additional income
 - CH3 – Reduction in support for Together for Children
 - H1 – Improved use of technology enabled care
 - H2 – Learning Disabilities (including transition)
 - V1 – School Library Service – review of service delivery arrangements
- 4.3 The completed equalities analysis for each of the above is provided as a weblink within the respective proposal at Appendix A.

5 Conclusions

- 5.1 The Council continues to seek to meet its obligations in relation to equality and diversity and has procedures in place at both a general and budget specific level to incorporate equality and diversity issues into decision making processes and the assessment of proposals.
- 5.2 Services and directorates are responsible for updating their equality analyses, continuing to assess how any identified impacts can be mitigated during the development of the detailed proposals and ensuring these considerations are presented to decision makers.

Budget Consultation 2021/2022 Results

1. Background and Context

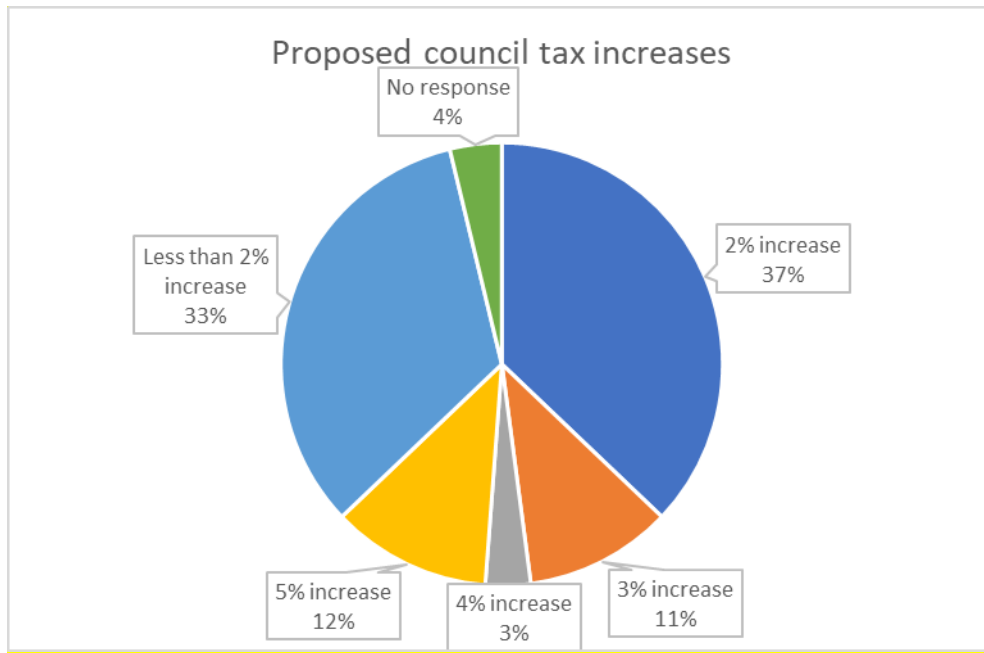
- 1.1 Given the inherent uncertainty as the Council entered the budget setting process, due to the Comprehensive Spending Review (CSR) being delayed and the on-going pandemic, a phased engagement and consultation process was established. Unfortunately, the planned approach following the Council's Let's Talk approach of multiple engagement activities could not be undertaken due to the series of local and national lockdowns. This meant that the planned activities with the general public had to be restricted to an online survey (with a paper-based option) supported by an explanatory video.
- 1.2 The initial engagement process focused on people's priorities for spend. Rather than working with actual budget levels, this activity asked the respondents to allocate a notional £52 across Council services – this exercise was intended to allocate the proportion of each £100 that the Council spends, the other £48 being on items that the Council does not have discretion over, such as school funding and benefits payments.
- 1.3 Response levels were low at 71, but this level was not particularly surprising given the fact that Sunderland moved into a local lockdown at the start of the engagement period, so the public's focus was on the pandemic. Whilst mixed, the general message from the responses was that they were broadly in line with the current level of budget allocations.
- 1.4 Following the December Cabinet meeting, the formal consultation on the service proposals (£6.3m of efficiencies) and differing levels of council tax increase commenced, running from 14 December until 14 January. Again, due to the pandemic this was undertaken online (with paper copies) with a range of communications to advertise the consultation via social media (with targeted campaigns), the Council website and via ward councilors. 213 responses were received.
- 1.5 In addition, briefings to the following stakeholders were given:
 - Finance Directors of Sunderland College, South Tyneside and Sunderland NHS Foundation Trust and Gentoo;
 - North East Chamber of Commerce, representatives of business ratepayers and Sunderland Business Improvement District; and
 - Schools Forum
- 1.6 The budget engagement and consultation exercise aimed to increase and assess awareness of the financial challenges the Council faces and the scale of services provided. In addition, questions were included to assess support for a council tax increase in line with the Government's expectations.

2. Results

- 2.1 The table below summarises the positive and negative responses, with the balance of the responses falling into the neither agree/disagree or no response category:

Portfolio	Proposed efficiency	Strongly agree/agree	Strongly disagree/disagree
	£m	%	%
Leader	0.421	74.7%	6.1%
Deputy Leader	2.109	62.4%	18.8%
Cabinet Secretary	0.797	67.6%	11.2%
Childrens, Learning and Skills	1.688	41.3%	43.2%
Dynamic City	0.511	64.2%	15.0%
Healthy City	0.641	41.8%	32.4%
Vibrant City	0.140	51.2%	18.8%

- 2.2 In all bar one case, the majority of people agreed with the proposals as set out, although it is important to note that there were a range of qualitative responses as well which provided further context. In many cases, people acknowledged the difficult decision that the Council faced, and that ideally no further reductions would be required.
- 2.3 Childrens, Learning and Skills had a majority of respondents responding negatively to the proposals. This level of response is not unexpected given the sensitivities associated with this area Council activity. Unfortunately, the scale of the financial challenge and the significant proportion of the net budget which relates to this portfolio means that reductions in this area are inevitable. However, the responses in this area are noted and will be factored into budget planning in future years.
- 2.4 In relation to council tax, the survey outlined the current position in Sunderland relative to the Government's national threshold, with the potential for up to a 5% increase to be applied – which the Government subsequently confirmed was its planning assumption in the Provisional Settlement on 17 December, as set out in the January Cabinet updated. It highlighted that a 5% council tax increase would generate income of circa £5million, without which further cuts to the Council's budget would be required. The survey presented a range of options for increases, of up to 5%, asking for suggestions where further savings could be made if a lower increase than the 5% maximum was applied.
- 2.5 As can be seen from the table below, 63% of respondents agreed to an increase of 2% or above, with the majority agreeing to a 2% increase.



- 2.6 This information has been taken into account when agreeing Cabinet's final proposal, but this has also taken into consideration the subsequent confirmation by Government in the Provisional Settlement that a 5% increase is its planning assumption for local authority funding for 2021/22.

Formal Budget Consultation Meeting held via Teams on Thursday 17th December 2020.

Representatives for the Trade Unions attended where a presentation was given.

Council Representatives

Jon Ritchie	-	Executive Director of Corporate Services
Paul Wilson	-	Assistant Director of Finance
Paul Dixon	-	Chief Accountant
Tracy Palmer	-	Assistant Director of People Management

Trade Union Representatives

Diane Peacock	-	Unison
Conor McArdle (CM)		Unison
Lisa Foot	-	Unison
Graham Avery		Unison
David Riddle (DR)	-	GMB
David Telford (DT)	-	Unite

The Executive Director of Corporate Services, Jon Ritchie (JR), gave a brief presentation in relation to the revenue budget, MTFP and the capital programme highlighting context and headline points.

Following which JR invited comments and questions from the Trade Union Representatives.

1. CM – asked in relation to the shortfall in funding how the funding gap may be filled and the timeline on the budget consultation.

JR advised that Cabinet would receive an updated report at its January meeting based on the provisional local government finance settlement, which is being announced later today, so the gap which is currently estimated at c. £47m might improve. Hopefully we have currently been more prudent in our current funding assumptions than overly ambitious meaning the gap will reduce but there will always be a gap. JR also advised at this stage that there are no plans to reduce or amend the identified savings proposed of £6.3m. Any additional funding received would mean that we are less reliant on using reserves which can only use these once. The Medium Term Financial Plan reserve is planned to be used over the medium term to temporarily smooth budget pressures but ultimately reductions in cost and / or permanent funding is needed to balance the books. JR pointed out we can't get into the same situation as Northamptonshire and Croydon have found themselves and issue a Section 114 notice. Reserves are alright to use in the short term but we can't rely on those in the long term, so the bigger financial challenge is actually for 2022/23, that is where we'll have to see the transformational change but what we really need is more of a longer term certainty including confirmed and additional funding from the Government.

2. CM also asked about the Council's housing investment proposals and any impact on Gentoo.

JR stated Gentoo are a key partner within the City and who contribute to the City Plan. They are the major social housing provider in Sunderland but not the only one, there are others for example Benicia, Thirteen Group and Karbon Homes who the Council have worked with. The Council is still working with Gentoo, identifying some of the bigger sites that they will develop out, that relationship is unchanged. We are looking at the empty homes programme, the sites that might be 4-5 units suitable for a sheltered scheme which others wouldn't necessarily want to deliver. It's definitely a complementary relationship rather than competing one.

3. CM enquired about the position with regard to potential redundancies for 2021/2022?

JR advised that whilst there will be some redundancies in individual service areas which are being consulted upon, at the moment we have no major redundancy proposals. The majority of changes in staffing levels are around vacant posts. As mentioned earlier, there is a currently £47m gap over the next 4 years to fill and because a large part of the Council's budget is made up of staffing costs. Therefore, unless the Government were to significantly increase funding levels moving forwards, it is not possible to balance the budget without some consideration of future staffing levels. However, any further changes would be done in a planned way over a 12-15 month period.

4. CM asked about assumptions about pay awards for 2021?

JR confirmed that the Council included provision for 2% within its planning assumptions. Ultimately any pay awards would be determined through the national collective negotiations process for local Government.

5. DT and DR enquired about outsourced services, in particular the contract with Sports and Leisure Management (SLM) Ltd to operate the leisure facilities?

JR responded that no plans were being explored as a direct result of Covid-19, but any contract that is coming up to the end of its initial contractual term will be reviewed from a commissioning perspective to ensure it delivers the best possible outcomes. The immediate focus is to deal with the current business pressures, for instance in relation to the leisure operating arrangements both the Council and SLM have contributed additional funding. Additionally, DCMS have recently announced the National Leisure Recovery Fund which the Council can apply to jointly with SLM to access grant support. The submission is due to be made in early to mid January and will primarily be used to support re-opening the facilities subject to any national lockdown / local restrictions.

Formal Budget Consultation Meeting held via Teams on Thursday 7th January 2021.

Representatives for the Business Improvement District (BID) and the North East Chamber of Commerce (NECC) attended where a presentation was given.

Council Representatives

Cllr Graeme Miller	-	Leader of the Council
Cllr Paul Stewart	-	Deputy Leader of the Council
Patrick Melia	-	Chief Executive
Jon Ritchie	-	Executive Director of Corporate Services
Paul Wilson	-	Assistant Director of Finance
Paul Dixon		Chief Accountant

Business Representatives

Sharon Appleby	-	Sunderland BID
Jonathan Walker	-	NEE Chamber of Commerce
Tom Warnock	-	NEE Chamber of Commerce
Amber Burney	-	NEE Chamber of Commerce
Julie Charlton	-	NEE Chamber of Commerce
Louise Hardy	-	NE BIC
Ralph Saelzar	-	Liebherr
Rudi Cherdrone	-	Liebherr
Clare Langley	-	Sunderland University
James Holloway	-	North East Fund
Karen Routledge	-	SETA
Selina Deeney	-	City Fibre
Giles McCourt	-	Muckle LLP
Dale Barry	-	DLAW Contractors
Graham Andrew Jobes		Hardings Solicitors

The Executive Director of Corporate Services, Jon Ritchie (JR) gave a brief presentation in relation to the revenue budget, MTFP and the capital programme highlighting context and headline points.

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

Questions and Comments

- 1 Ralph Saelzer, Liebherr enquired about the current reserves position?

JR responded that through careful financial management over several years, we have been able to maintain those reserves (other than those which have been used for their intended purpose) the majority of which are earmarked for specific projects and purposes. The Council maintains a general fund balance of £12m and it is important that we have this as a safety net and that reserve is being protected.

- 2 The Leader of the Council commented on the Government's funding assumptions for local authorities for 2021/2022 and that the Government's increases in the core spending power for local authorities assumes that a very significant proportion of this increase is expected to be funded by council tax rises of up to 5%. Cllr Stewart also expressed concern that there could be a return to austerity and a further expectation from the Government that council tax payers would be required to fund a greater share of local government expenditure.
- 3 Sharon Appleby, Sunderland BID expressed her appreciation to the Council's Business Rates team and Business Investment team for the significant work that they had undertaken in distributing the various business support grants to Sunderland businesses. Sharon also stressed, alongside the grants, the importance that the additional business rates reliefs had been during the current year and enquired as to whether the Council had any insight as to whether these would continue in 2021/2022, and if business rate reliefs were to continue how this would impact on the Council's budget.
- 4 Jonathan Walker, NEE Chamber of Commerce mentioned the cost pressures on Adult and Children's Social Care and if there had been any notable changes in terms of the way those pressures impact on Council finances

JR responded that Adult and Children's Social Care makes up about 2/3 of the Council's controllable spend, so even a small percentage increase in cost has a significant increase year on year in monetary terms. What has been seen in recent years, as is the case across the North East, is increases in the numbers of our elderly residents who have more complex needs and require support, as well as increases in the numbers of children that also require support. In the Capital Programme the Council has invested in and continues to invest in interventions such as assistive technology including using 5G that we are putting into the City to help residents to stay in their homes and live an independent life for longer. These invest to save schemes will take time to fully repay the investment cost but will start to help mitigate the cost pressures.

Scrutiny Coordinating Committee Consultation on the Budget 2021/2022

Comments of Scrutiny Coordinating Committee

1. On 14th January 2021, Scrutiny Coordinating Committee considered the Budget Planning Framework and Medium Term Financial Plan 2021/2022 – 2024/2025 report which was referred from the December Cabinet meeting.

Scrutiny Coordinating Committee commented as follows:

“The Committee acknowledges that the Council continues to operate in very challenging circumstances and the current pandemic has put additional pressures on all council services. Therefore, the Committee are satisfied with the contents of the report and acknowledge that a number of funding uncertainties remain and that the continued response to the pandemic only adds to these uncertainties.

The Committee also acknowledges the revised version of the City Plan in light of the Covid-19 pandemic and requests that updates on progress are provided to the Scrutiny Coordinating Committee as and when appropriate.

The Committee would finally like to put on record its appreciation to all Members and Officers who continue to work extremely hard on budget planning and development of the Council’s financial plans.”

2. On 5th November 2020, Scrutiny Coordinating Committee considered the Budget Planning Framework and Medium-Term Financial Strategy 2021/2022 – 2024/2025 report which was referred from the October Cabinet meeting.

Scrutiny Coordinating Committee commented as follows:

“The Scrutiny Coordinating Committee was satisfied with the budget planning framework and the medium-term financial strategy as set out in the report. The Committee recognised the various spending pressures and Central Government funding uncertainties that existed for the Council and the impact of Covid-19 on all Council services and funding.

The Committee was pleased to note that it would again be consulted on the results of the budget consultation and looked forward to receiving this at a future meeting.

The Committee would also like to put on record its appreciation for the hard work and diligence of officers and members in the budget planning process, particularly in the difficult times that they all found themselves in at present.”

Proposed Council Tax for 2021/2022

Paper to be tabled at meeting

Medium Term Financial Plan (MTFP) 2021/2022 – 2024/2025

1 Purpose of the MTFP

1.1 The MTFP is a key part of the Council's Budget Policy framework. It aims to ensure that reduced resources are aligned to ensure that the residents of Sunderland are offered the best possible public services in future.

1.2 The current MTFP sets out the strategic financial position and financial direction of the Council over the next four years taking into account Council policy objectives, Government funding levels, other resources and service pressures. It is regularly updated to reflect the changes in local government finance. The key objectives of the plan are:

- To ensure the continued strong financial resilience of the Council;
- To identify and draw together strands of activity that will meet the reductions requirement; and
- To continue to facilitate investment in regeneration activity and key priorities within the City Plan.

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

1.3 While the following MTFP reflects the local government finance settlement data for 2021/2022 released by the Government, there is considerable uncertainty over the impact of future local government settlements, Fair Funding Review and the proposed move to 75% business rates retention in the medium term. The plan will be kept under review and updated as further details emerge.

1.4 The MTFP provides background planning assumptions covering:

- National funding and economic outlook (section 2);
- Local funding position (section 3);
- 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); and
- Conclusion (section 11).

2 National Funding and Economic Outlook

- 2.1 The Bank of England's (BOE) Monetary Policy Committee (MPC) meeting on 17th December 2020 voted unanimously to leave the Base Rate unchanged at 0.10%, having previously revised its economic forecasts to take account of a second national lockdown from 5th November to 2nd December 2020. The MPC also agreed to keep the Quantitative Easing target at £895bn and commented the successful rollout of vaccines had reduced the downside risks but recovery would take time and considerable challenges to the economy remained after the end of the second lockdown and tiered regional restrictions return to get on top of Covid-19 infection rates.
- 2.2 The pace of recovery will be slow and prolonged. Whilst Gross Domestic Product (GDP) data for Q3 from the Office for National Statistics (ONS) reported growth of 16.0% as lockdown restrictions were lifted and demand was released into the economy (on the back of falls of 3.0% in Q1 and 18.8% in Q2) this still left the economy 8.6% smaller than at the end of 2019. Public borrowing is now forecast by the Office for Budget Responsibility (OBR) to reach £394bn in 2020/2021, the highest ever peace time deficit and equal to 19% of GDP.
- 2.3 ONS data shows the annualised Consumer Price Index inflation rate fell from 0.7% in October to 0.3% in November 2020, increasing back to 0.6% in December. The BoE expects inflation to be slightly above its 2% target by the start of 2023 but does not believe there is any need to tighten policy and any increase in the Base Rate is likely to be some years away given the underlying economic assumptions.
- 2.4 The Brexit agreement reached on 24th December, and subsequently approved by Parliament on 31st December 2020, has removed significant downside risks to the UK economy. However, the initial agreement only covers trade and temporary equivalence granted between the UK/EU in respect of the service sector needs to be formalised on a permanent basis.
- 2.5 The Government's medium to longer term approach to addressing its financial position is still unknown and the one-year funding settlement for local government again provides limited certainty for the Council.
- 2.5 The Council continues to make representations, including through SIGOMA and ANEC, to highlight the inadequacy and unfair distribution of local government funding, as well as the short-term nature of the funding announcements which makes financial planning difficult. Whilst the local government settlement did little to provide reassurance that these messages are being heard, the March budget will provide an indication of any possible funding boost or funding shift to local government or the region in the near future.

3 Local Funding Position

Core Spending Power

3.1 The Government uses a measure known as the Core Spending Power (CSP) to indicate the impact of changes in funding. For 2021/2022, this measure includes:

- Settlement Funding Assessment (SFA) comprising:
 - Revenue Support Grant (RSG);
 - Baseline Funding (Top Up Grant);
 - Assumed retained business rates;
- Compensation for the historic under-indexing of the Business Rates Multiplier;
- Council tax income, which Government assumes that a 5% increase (2% core and 3% Adult Social Care Precept) is applied in addition to an assumed continued increase in the council tax base;
- Local government element of the Improved Better Care Fund;
- Social Care Grant;
- New Homes Bonus; and
- Lower Tier Services Grant.

3.2 In December 2020, as part of the Provisional Local Government Finance Settlement 2021/2022, the Government provided details of their assumptions on CSP for 2021/2022.

	2020/21 £m	2021/22 £m	change £m	change %
Settlement Funding Assessment	113.825	113.980	0.155	0.14%
Compensation for under-indexing Business Rates Multiplier (Section 31 Grant)	3.442	4.474	1.032	29.98%
Council Tax Requirement excluding parish precepts	104.870	111.622	6.752	6.44%
Improved Better Care Fund	18.134	18.134	0.000	0.00%
Social Care Grant	10.249	13.861	3.612	35.24%
New Homes Bonus	2.070	1.517	-0.553	-26.71%
Lower Tier Services Grant	0.000	0.499	0.499	100.00%
Sunderland Total Core Spending Power	252.590	264.087	11.497	4.55%
<i>Memorandum National Position</i>				4.51%

3.3 CSP will increase by an average 4.51% nationally in 2021/2022. For Sunderland the increase is 4.55% as shown in the table below. As noted in previous reports, nationally, 87% of this increased spending power is derived from assumed council tax rises. Given Sunderland's relatively lower council tax base this proportion is lower, at 59%.

- 3.4 For Sunderland there was a 0.14% increase in SFA for 2021/2022. The low percentage increase is as a result of the business rates multiplier freeze for 2021/2022 for which councils are compensated through Section 31 grant funding. Although the Section 31 grant compensation is part of the Council's CSP, it is outside of the SFA element of funding. It should be noted that actual the business rates taken into account in the revenue budget is dependent on the Council's own position which is confirmed within the National Non-Domestic Rates ('NNDR') statistical collection Form 1 (budget forecast). The increase in Revenue Support Grant is in line with budget planning assumptions.

Business Rates

3.5 Current funding mechanism

- 3.5.1 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 RSG and police funding; and
 - 50% is retained locally. Of this 50% the Council must distribute 1% to the Tyne and Wear Fire and Rescue Authority.
- 3.5.2 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 MTFP takes into account the current impact of the Covid-19 pandemic and prudent growth in the base income position, based on anticipated new developments over the period. As regeneration activity accelerates in line with the City Plan, the growth projections will be kept under review.
- 3.6 Risk arising from Appeals
- 3.7.1 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. The current pandemic has given rise for a new wave of appeals based on a Material Change in Circumstances; the Valuation Office Agency are currently considering these.
- 3.7.2 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 £11m (2020/2021 position) before the threshold is triggered and the Council receives any safety net funding from the Government.

3.8 Top Up Grant / Tariff

- 3.8.1 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 authority, receiving £43.724m in 2021/2022. Top Up grant is generally increased annually by inflation.
- 3.8.2 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 the Council in understanding its future funding and sustainability.

3.9 Section 31 Grant - Business Rates

- 3.9.1 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, increases in Small Business Rate relief and significant reliefs to support businesses during the pandemic. At present no extensions to retail and / or Covid-19 related reliefs have been announced for 2021/2022.
- 3.9.2 The Government will continue to fully 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 the Government at the end of January and any subsequent business rates reliefs announced by the Government.

Other Core Grant and Revenue Funding

3.10 Improved Better Care Fund (IBCF)

- 3.10.1 The Improved Better Care Fund (IBCF) allocation has continued at its current level. NHS Better Care Funding (BCF) is included in allocations to Health. Pooled BCF budgets for use of the 2021/2022 allocations will be agreed by the Health and Wellbeing Board in due course.

3.11 Social Care Funding

- 3.11.1 £1 billion of social care grant funding provided during 2020/2021 will continue in to 2021/2022, this totalled £10.249m for Sunderland. A further £300m of grant funding was also confirmed by the Chancellor for 2021/2022, with Sunderland to receive £3.612m.

3.12 New Homes Bonus

- 3.12.1 The Council's New Homes Bonus (NHB) allocation will reduce from the £2.070m received in 2020/2021 to £1.517m in 2021/2022.

3.12.2 As announced by the Chancellor in his Spending Review the existing NHB scheme will continue for a further year. The national quantum of funding available for distribution from the NHB has been permanently reduced as part of the settlement announcements, due to allocation increases elsewhere in the settlement being funded from this source, namely the new Lower Tier Services Grant, £150m of the additional funding for Social Care and the RSG increase.

3.12.3 The Government is proposing to replace the NHB with something more “targeted”, with a consultation exercise planned. The Council has consistently made the case that this funding should be allocated based on need and will consider the proposals in the consultation exercise as appropriate. In the MTFP has been amended to reflect the phasing out of this funding stream.

3.13 Public Health Grant

3.13.1 At the time of writing the allocation for the Public Health grant remains outstanding. The current planning assumption is for a freeze to the grant. The final grant allocation will be amended once known.

3.13.2 At this stage the expectation is that Public Health grant will in the future be absorbed into the new Fair Funding regime. 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.

3.13.3 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, and as such the MTFP will plan for a neutral position until full details emerge.

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

3.14.1 Notification of the Housing Benefits and Council Tax Administration grants, comes outside of the settlement. For 2021/2022 the grant allocation is assumed to be unchanged, however, provision for a further reduction in funding in future years has been included within the MTFP. The position will be kept under review and the MTFP updated as more details emerge.

3.15 Impact of Spending Review, Fair Funding Review and proposed 75% retained business rates

3.14.1 The outcome of the proposals to change the way local government is funded with 75% retention of business rates, 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.

3.14.2 The Government has set up a number of working groups to progress this agenda and various consultation documents have been released and responded to, progress on the reform activity was significantly hampered as the Government responded to the global pandemic. As and when more details emerge, the MTFP will be updated accordingly.

Locally Raised Income

3.16 Council Tax

3.16.1 In the Settlement, the Government confirmed the referendum threshold for 2021/2022, being that the core element is subject to a maximum increase of up to 2%. Social Care authorities can levy an additional 3% in respect of the social care precept. Any increase above the council tax limit will require a referendum to give the local electorate the opportunity to approve or veto the increase.

3.16.2 The council tax base for 2021/2022 has been impacted by an increase in Local Council Tax Support claimants due to the economic impact of the pandemic. The MTFP assumes a prudent increase of the base in future years, supported by an economic recovery and housing growth in the city.

3.15.2 At this stage there is no indication of the Government's approach to council tax increases or Social Care Precept beyond 2021/2022. Decisions on the application of options available will be made as part of the detailed budget planning on an annual basis.

3.17 Local Council Tax Support Scheme

3.17.1 The current local 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 within the scheme's parameters. 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. As noted in 3.16.2 the pandemic has created an increase in claimant numbers during 2020/2021.

3.18 Schools Funding

3.18.1 Cabinet agreed in January to the principles proposed by the Sunderland Schools Forum for the 2021/2022 Sunderland local funding formula. The National Funding Formula (NFF) is to be implemented with the following local adjustments, which were modelled so as to give an equitable settlement to all Sunderland schools whilst moving towards the NFF:

- The Minimum Funding Guarantee applied at 2.00% in line with the NFF value;
- The Free School Meal proxy indicator set at a rate of £320.63 per pupil (NFF £460); (NB; alongside the Minimum Funding Guarantee, this proxy indicator does not reduce the funds available to schools for meals)
- Transfer of 0.5% (£890,842) to the High Needs Block in recognition of ongoing pressures.

4 Spending Pressures and Commitments

- 4.1 Spending pressures and commitments for 2021/2022 are detailed in section 5 of the Cabinet Report.
- 4.2 Future years spending pressures, at this stage predominantly consist of;
- Pay and price increases, including contract inflation and pay award;
 - Demand pressures for both Adults and Childrens Social Care;
 - The impact of capital priorities both in terms of debt charges and any associated operational costs for example Culture House; and
 - The Local Government Pension Scheme Actuarial Review
- 4.3 The continued pressure on both Adult and Children's Social Care budgets will be kept under review throughout the MTFP period and additional provision included where necessary.
- 4.4 In addition, the outcome of the next Triennial Actuarial Review of the Local Government Pension Scheme will be effective from April 2023. The potential impact on the Council budget will be kept under review as details emerge and provision included within the MTFP as appropriate.
- 4.5 The cost pressures and commitments across the MTFP period are summarised below:

	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m
Spending Pressures and Commitments					
Pay, Prices and Other Pressures including Contract Inflation	7.842	9.025	12.761	9.782	39.410
Neighbourhoods - Adults Demand Pressures	1.500	1.000	1.000	1.000	4.500
Together for Children - Demand Pressures	0.000	0.500	0.500	0.500	1.500
Capital Financing (Debt Charges)	(2.500)	8.000	2.630	3.000	11.130
Pensions Actuarial Review	0.000	0.000	10.000	0.000	10.000
MRF and Waste Disposal Volumes	1.200	0.000	0.000	0.000	1.200
Housing Benefit Overpayment	0.600	0.000	0.000	0.000	0.600
Contingencies Review	(0.500)	(1.500)	0.000	0.000	(2.000)
Environmental Services	0.500	0.000	0.000	0.000	0.500
Potential Covid-19 Pressures	3.200	0.600	0.000	0.000	3.800
Transport Levy Rebate	(0.292)	0.292	0.000	0.000	0.000
Culture House	0.000	0.000	1.000	0.000	1.000
Total Spending Pressures and Commitments	11.550	17.917	27.891	14.282	71.640

5 Summary Overall Budget Gap 2021/2022 to 2024/2025

- 5.1 In relation to the period beyond 2021/2022 at this stage no information has been released by the Government on funding levels either on a national or individual council basis. Therefore for the purposes of preparing an MTFP 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 are fully worked through, the Government will take action to ensure a 'status quo' impact on the funding position for each council through the top-ups and tariffs system or damping, to ensure no detrimental impact on each council's overall funding position.

- 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:

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
	£m	£m	£m	£m	£m
Governement Grant Change	(4.142)	(2.430)	(1.253)	(1.299)	(9.124)
On-going Spending Pressures	11.550	17.917	27.891	14.282	71.640
Total Gross Funding Gap	7.408	15.487	26.638	12.983	62.516

- 5.3 Based on high level assumptions, the on-going funding gap for 2021/2022 to 2024/2025 is in the region of £62.5million. However, this position is subject to change given the significant uncertainties in the funding system at present.

6 Addressing the Budget Gap and Efficiency Strategy 2021/2022 to 2024/2025

- 6.1 As reported to Cabinet in December 2020, plans of £6.307m have been developed to seek to address the funding gap in 2021/2022. Further detail on the savings plans is set out in Appendix A of the main Budget report and further plans will be developed to address the remaining budget gap.

- 6.2 In addition, the following table shows that:

- Council tax and Social Care Precept increases in line with referendum principles would generate a further £12.036m of resources to support the budget position over the four years to 2024/2025. 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 £8.483m.

Taken together, this will reduce the overall budget gap to £35.690m for the period to 2024/2025.

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
	£m	£m	£m	£m	£m
Governement Grant Change	(4.142)	(2.430)	(1.253)	(1.299)	(9.124)
On-going Spending Pressures	11.550	17.917	27.891	14.282	71.640
Total Gross Funding Gap	7.408	15.487	26.638	12.983	62.516
Savings Propsals	(6.307)	0.000	0.000	0.000	(6.307)
Assumed Council Tax Social Care Precept increase	(5.137)	(2.211)	(2.315)	(2.373)	(12.036)
Council Tax Base Impact	2.398	(2.907)	(3.407)	(0.595)	(4.511)
Council Tax Deficit Impact	2.211	(0.965)	0.000	(1.246)	0.000
Business Rates - Base and Inflationary impact (inc.prior years)	1.675	(1.765)	(1.948)	(1.934)	(3.972)
Current MTFS Gap after agreed savings proposals, council tax and business rates	2.248	7.639	18.969	6.834	35.690
Use of Reserves 2021/2022	(2.248)	2.248	0.000	0.000	0.000
Current MTFS Gap after agreed savings proposals, grant, council tax and Business Rates changes	0.000	9.887	18.969	6.834	35.690

- 6.4 The Council's approach to delivering the savings requirement is encapsulated in the Efficiency Strategy 2021/2022 to 2024/2025 (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 MTFP 2021/2022 to 2024/2025 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 MTFP, 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 2021/2022 to 2024/2025 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 2022/2023 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 Council's approach to prioritisation of projects for investment, while the borrowing strategy reflects appropriate parameters to ensure value for money 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 Chief Finance 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 £12.0m to cover any major unforeseen expenditure. The Council will aim to balance its revenue budget over the period of the MTFP without reliance on the use of the general reserve; and
 - 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 the General Reserve, all reserves are earmarked for specific purposes. The forecast balances on earmarked reserves at 31st March 2021 and 31st March 2022 are attached at Appendix I 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 2021/2022 included a consultation exercise that concluded on the 14th January 2020. A summary of the response to the consultation is set out at Appendix C.
- 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 MTFP. The key strategic financial risks to be considered in developing the MTFP are as set out at Appendix Gii.

11 Conclusion

- 11.1 The Government has announced funding levels for 2021/2022 but as yet has provided no indications of funding beyond that year. The impact of the Fair Funding Review, and proposed 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 or damping 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 ongoing savings requirement for 2021/2022 to 2024/2025 in the region of £35.690m, after assumed increases in council tax.
- 11.2 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.

- 11.3 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 2024/2025 to be agreed.

Efficiency Strategy 2021/2022 to 2024/2025

The following strategy sets out the Council's overarching approach to meeting the financial challenge as a result of the Government's 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 was 2019/2020. An Efficiency Strategy is required in order to make use of the capital receipts flexibility arrangements for funding transformational costs.

It is recognised that the impact of the Spending Review 2021, the Fair Funding Review and the proposed move to 75% business rates could have a significant effect on the assumptions within the MTFP 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 2021/2022.

1 Purpose

- 1.1 The Efficiency Strategy 2021/2022 to 2024/2025 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 MTFP;
 - ensure the best use of resources available;
 - ensure the financial resilience of the Council is maintained; and
 - comply with the Government's requirements in relation to proposed use of Capital Receipts Flexibility.
- 2.2 The 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 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's 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; and
 - 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 MTFP set out at Appendix G shows savings requirements of £62.516m through to 2024/2025 as follows:

	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	Total £m
	£m	£m	£m	£m	£m
Governement Grant Change	(4.142)	(2.430)	(1.253)	(1.299)	(9.124)
On-going Spending Pressures	11.550	17.917	27.891	14.282	71.640
Total Gross Funding Gap	7.408	15.487	26.638	12.983	62.516

After assumed increases to council tax, additional ongoing savings of £35.690m are estimated to be required over the period to 2024/2025.

- 4.2 The Revenue Budget and Proposed Council Tax for 2021/2022 report to February 2021 Cabinet includes proposals to meet the funding gap for 2021/2022. Section 5 below sets out the approach to develop a full suite of proposals to meet the remaining funding gap through to 2024/2025.
- 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 future 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 and 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

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

Retained Business Rates

5.4.2 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 SFA. However, the Council must determine for itself the anticipated level of Business Rate Income collection. The Business Rate income for 2021/2022 to be retained by the Council is £44.719m.

5.4.3 The regeneration activity delivered and implementation of 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's proposed move to 75% retained business rates in the medium term.

5.4.4 The efficiency strategy and MTFP assumes prudent growth in the business rates base of £0.500m per annum based on historical growth pre the Covid-19 pandemic, forecast developments impacting on the business rates baseline, and the volatility of the appeals position.

Council Tax

- 5.4.5 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 and the 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, Potters Hill and Vaux as well as 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.
- 5.4.6 The Efficiency Strategy and the MTFP assumes growth in the council tax base through to 2024/2025 to recover to levels pre the Covid-19 pandemic and growth based upon historical experience and known development activity which will impact during the period of the MTFP.
- 5.4.7 The Local Government Finance Settlement for 2021/2022 includes assumptions that councils will raise council tax annually in line with the level allowed without a local referendum in addition to applying the maximum social care precept. The Council will consider the position regarding council tax as part of each annual budget process.

Fees and Charges

- 5.4.8 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.
- 5.4.9 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, approved by Council in January 2021. This encompasses the aims of the 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 with a focus on long term benefits for our children and young people beyond 2030. 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.

5.5.4 A key priority of the Capital programme 2021/2022 to 2024/2025 is to continue to support plans for the regeneration of the City Centre, including Riverside Sunderland, IAMP, Enterprise Zones, the continued development of city wide infrastructure and to support housing delivery and 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 and business rates.

5.5.6 The Capital Programme will be kept under review in light of the 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

5.6.1 The Council continues to explore and maximise external funding opportunities to support its core priorities including economic development and regeneration, education and skills, low carbon, digital connectivity, health and well-being and culture and heritage reflecting the priorities in the City Plan.

5.6.2 Significant investment has been secured in the last 5 years from Central Government and regional funds to support major infrastructure priorities, including the International Advanced Manufacturing Park (IAMP), Sunderland Strategic Transport Corridor Phase 3 (SSTC3), the Port of Sunderland Enterprise Zone, digital connectivity and housing infrastructure.

- 5.6.3 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. Several new infrastructure projects are in the early stages of delivery following funding support confirmed in the last year. These involve: the development of key infrastructure to unlock the South Sunderland Growth Area (Homes England - Housing Infrastructure Fund); key strategic transport projects including the redevelopment of Central Station (Department for Transport - Transforming Cities Fund); and a city centre transformation programme supported by the Future High Street Fund (Ministry of Housing, Communities and Local Government).
- 5.6.4 The Government's launch of the Getting Building Fund in June 2020 has enabled 2 key regeneration projects to be brought forward more quickly. These include support for new digital and strategic infrastructure works on the Riverside Sunderland site and support for additional energy infrastructure on Hillthorn Business Park in Washington.
- 5.6.5 Continued investment in the city's heritage, tourism, sporting and cultural assets is also being pursued through the Heritage Fund, Historic England, Arts Council, Coastal Communities Fund, Department for Culture, Media and Sport, the Football Foundation and other major funders. This investment 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, including redevelopment of the Sunderland Museums and Winter Gardens.
- 5.6.6 In addition, the Council has continued to secure external funding for projects which support the most vulnerable members of the community. These include more than 20 local projects funded through Sunderland's Community Led Local Development programme, additional funding secured to support domestic abuse victims, people with physical and mental health issues, and a range of local educational and skills projects supported.
- 5.6.7 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 European funded projects to continue until 2022 or 2023. The Council currently has several European Regional Development Fund and European Social Fund projects which will continue to be delivered through to their completion in 2023. Any remaining EU funds not already allocated to approved or pipeline projects within the NELEP area will be administered by Government through an ERDF or ESF National Reserve Fund.
- 5.6.8 The Spending Review in November 2020 provided further detail on Government plans for the introduction of the UK Shared Prosperity Fund in 2022. Some initial funding will be provided this year to support communities to pilot programmes and new approaches. It is expected that Government will publish a UK-wide framework in mid-2021 setting out its approach to UKSPF. The Fund will cover a range of revenue and capital priorities including investment in people, skills, communities, business and place.

5.6.9 Government has stated that funding for the UKSPF will ramp up so that total domestic UK-wide funding will at least match receipts from EU structural funds, on average reaching around £1.5bn per year.

5.6.10 The Council will also monitor funding announcements in relation to the Government's Levelling Up agenda. The first round of the £4bn Levelling Up Fund is expected to be launched in early 2021 to support a broad range of high value local infrastructure projects. Up to £600m will be available from the Levelling Up Fund in 2021/22 with projects to be delivered within this Parliament.

5.7 Other Options for Future Funding

5.7.1 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

5.7.2 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 Siglion to bring forward and develop priority regeneration sites, the formation of Sunderland Lifestyle Partnership to develop, manage and operate a number of leisure facilities across the city. Other opportunities will continue to be explored and proactively developed as part of improvement planning activity in order to enable the Council to meet the ongoing challenges.

5.8 Partnership / Collaboration / Joint working activity

5.8.1 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.

5.8.2 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; and
- 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.

5.8.3 Opportunities for joint working and collaboration with other local authorities to reduce costs will also be considered where appropriate.

5.9 Reserves and Balances

5.9.1 Regular reviews of all commitments against reserves are 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

5.10.1 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; and
- Annual refresher training 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 future 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 At this stage, it is not envisaged that one-off transformational costs will arise through workforce planning arrangements in order to assist in delivering the budget savings proposals for 2021/2022. However, as work on the Council's transformation programme continues, and proposals to address the future years' budget positions are progressed, transformational costs may arise. These costs may be ICT systems or other one-off costs and not just workforce planning costs.

6.2.2 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.

- 6.2.3 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 potentially being utilised to meet workforce planning arrangements and other transformation costs arising in 2021/2022.
- 6.2.4 The Council's Efficiency Strategy supports the Government's requirements in making use of these flexibilities. The requirements in respect of prudential indicators are reflected in the Capital Programme 2021/2022 to 2024/2025 and Treasury Management Policy and Strategy 2021/2022 report elsewhere on this agenda. At this stage however, individual transformational projects that will require capital receipt support are not yet developed.
- 6.2.5 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. Should the use of capital receipts be required, this will be reported, with project details to Cabinet as appropriate.

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 the 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; and
 - Reporting to Cabinet on progress on delivery of annual savings on a quarterly basis.

MTFP 2021/2022 to 2024/2025 Risk Assessment

Risk	Likelihood	Impact	Risk Management
1. Future available resources less than notified. The MTFP is based on data as known, but this does not reflect any potential impact of the Government Fair Funding review and proposed 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 2021/2022 with forecasts beyond 2021/2022 based on an assumption that the Government will use Top up and Tariff mechanisms and damping to smooth impact on individual authorities of spending review, fair funding review and implementation of 75% retained business rates. The MTFP is regularly updated to reflect latest intelligence. Annual review of reserves and reserves policy to identify available future resources.
2. Changes to Government policy.	Possible	High	Source alternative funding options including short term use of reserves. Pressures factored into the MTFP. Latest funding indications reflected in the MTFP.
3. Pay Awards and price inflation higher than assumed.	Possible	Medium	Provision included in the MTFP based on assumed pay award of 2%. Limited contingencies available should the award be higher.
4. Future spending plans underestimated, including increased social care demand.	Likely	High	Service planning process and regular MTFP review identifies future budget pressures. Impacts of the Covid-19 pandemic kept under constant review to assess cost pressures / lost income.
5. Anticipated savings not achieved.	Possible	High	Regular monitoring and reporting take place. In relative terms limited reductions for 2021/2022, but the size of the funding cuts increases 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.

Risk	Likelihood	Impact	Risk Management
6. Revenue implications of capital programmes not fully anticipated.	Unlikely	Low	Revenue impacts considered in framing the capital programme. Capital programme links to the Council's priorities through the City Plan.
7. Income Targets for business rates and council tax not achieved	Possible	High	Prudent approach taken in setting the forecast income levels factoring in the impact of the Covid-19 pandemic. Monitoring processes in place, including through quarterly reviews to identify forecast shortfall and remedial action to be taken. Provisions held for both appeals and bad debts.
8. Other Miscellaneous Income targets not achieved	Possible	Medium	Economic climate potential impact mitigated by potential short term use of reserves. Regular monitoring / reporting and previous review of fees and charges undertaken.
9. Budget monitoring not effective	Unlikely	High	Monthly monitoring / reporting in line with corporate performance management framework. Monitoring activity intensified to ensure financial impacts of the Covid-19 pandemic are understood. 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 credit rated institutions.
12. Interest rates lower than expected.	Unlikely	Low	Regular review, monitoring and reporting on interest rates. Prudent assumptions on likely interest rates for 2021/2022 onwards factored into the MTFP.
13. All MTFP risks not adequately identified.	Unlikely	Low	The Council's Risk Management Profile ensures all operational and strategic risks identified as part of annual service planning process.

General Balances – Financial Risk Analysis

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 MTFP process with regular updates during the year; and
- networking with other senior finance staff in other authorities who are likely to identify similar liabilities.

Inflation

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

This remains a risk given potential for contract inflation increases following the increase to the Living Wage. It is mitigated by the realistic prudent provisions made:

- Prudent provision has been included for known pay offers;
- CPI has been included at a prudent rate, based on future years' Bank of England forecasts;
- appropriate provision for price increases has been included in the budget including a prudent provision for increases in contract prices, reflecting the Bank of England's inflation forecasts, 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; and
- 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.

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 2021/2022; and
- the total contingency provision should be considered in the context of the net revenue budget.

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 within the revenue budget and MTFP 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; and
- short-term headroom exists within the debt charge budget for any additional new borrowing costing more than forecast.

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 alongside the uncertainties created by the Covid-19 pandemic on both increased levels of expenditure and reductions in income, robust monitoring arrangements are in place to deal with the increased risks associated with this including;

- 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;
- Heightened budget monitoring is undertaken to monitor the financial impacts of the Covid-19 pandemic on the Council's finances, including monthly returns to the Government that identify emerging costs pressures and lost income;
- Corporate performance monitoring arrangements includes monitoring of delivery of savings and overall budget position at Chief Executive, Executive Director and Assistant Director 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;
- 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;
- Contingencies held, including additional national funding provided to fund the Council's response to the Covid-19 pandemic, and short term headroom exists within the debt charge budget that is available to mitigate pressures elsewhere should they arise; and
- Transformation reserves held to support the revenue position should the need arise.

Risk Management

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

This is unlikely to occur due to:

- the Council has in place a Risk and Assurance Map supported by detailed Strategic and Corporate Risk Profiles, which are regularly and formally reviewed, and action is taken to mitigate and manage risks;
- Risk Profiles are developed for all major Projects;

- Risks are considered as part of the development of significant changes recommended to Cabinet;
- comprehensive self and external insurance arrangements are in place, including adequate self-insurance funds including both provisions and reserves; and
- existence of Bellwin Scheme.

Capital Programme Implications

Risk is that funding will not be available as planned or that unexpected 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; and
- Budgeted revenue contributions to fund capital expenditure and the Prudential Borrowing regime gives added flexibility in terms of financing the Capital Programme.

Appendix I

Earmarked Reserves - Position Statement

Reserves	Purpose of the Reserve	Opening Balance 01.04.2020 £m	Forecast Movement in Year £m	Forecast Closing Balance 31.03.2021 £m	Forecast Movement in Year £m	Forecast Closing Balance 31.03.2022 £m
General Fund	General Fund of the Council	12,000	0	12,000	0	12,000
School Balances	Balances held by schools under a scheme of delegation	7,982	(317)	7,665	(1,047)	6,618
Riverside Transfer	Reserve established to fund capital works associated with the Homes and Communities Agency land transferred to the Council.	9,188	(540)	8,648	0	8,648
Capital Priorities Reserve	A reserve established to address some of the Council's key capital developments and strategic priorities.	9,254	(1,867)	7,387	(239)	7,148
Section 106 Reserves	Under Section 106 of the Town and Country Planning Act 1990, developers make financial contributions to the Council relating to affordable housing, public open spaces including allotments and locally equipped play parks, educational facilities, highways and public transport improvements, sports and recreational facilities and environmental improvements.	7,280	(1,487)	5,793	(1,486)	4,307
Strategic Investment Reserve (Capital)	A reserve established to address some of the Council's key developments, strategic priorities and address other major liabilities.	4,545	(1,549)	2,996	(2,310)	686
Strategic Investment Plan Reserve	This reserve is necessary to fund part of the Council's contribution to its Strategic Investment Plan	1,194	(940)	254	(254)	0
Commercial and Economic Development Activity	Reserve established to take advantage of commercial and economic development opportunities that will meet priorities of the Council.	1,154	(929)	225	(225)	0
Other Earmarked Capital Reserves	Funding set aside to fund future capital projects previously approved.	1,737	(933)	804	(100)	704

Reserves	Purpose of the Reserve	Opening Balance 01.04.2020 £m	Forecast Movement in Year £m	Closing Balance 31.03.2021 £m	Forecast Movement in Year £m	Forecast Closing Balance 31.03.2022 £m
Strategic Investment Reserve (Revenue)	A reserve established to address some of the Council's key developments, strategic priorities and address other major liabilities.	11,769	(6,816)	4,953	(3,437)	1,516
Strategic Regeneration Reserve	A reserve to support the Council's regeneration ambitions, specifically to smooth any revenue impact of projects until they become self-sustaining.	10,000	(220)	9,780	0	9,780
Service Reduction Reserve	This reserve is to provide temporary transitional funding relating to the implementation of planned service reductions.	12,145	0	12,145	0	12,145
COVID-19	A reserve established from Government grant to fund the immediate costs and lost income associated with the COVID-19 pandemic.	10,592	(10,592)	0	0	0
Medium Term Planning Smoothing Reserve	This reserve has been established to address any potential impact arising from increased risk and uncertainty with the Business Rate Retention Scheme. It is being used to smooth the impact of Government funding uncertainties.	6,528	8,699	15,227	(2,248)	12,979
Insurance Reserve	This reserve has been established to provide for potential future claims or claim increases.	5,677	0	5,677	0	5,677
Street Lighting and Highway Signs PFI Smoothing Reserve	The reserve was established to smooth the financial impact of the contract across the 25 years of the contract life.	4,281	(281)	4,000	(300)	3,700
HCA Stadium Transfer	Reserve established to fund ongoing maintenance of Homes and Communities Agency land transferred to the Council.	3,109	0	3,109	(30)	3,079
SIB Reserve	A reserve held to fund future allocations through the Strategic Initiatives Budget.	3,303	0	3,303	(860)	2,443
Sandhill Centre PFI Smoothing Reserve	The reserve was established to smooth the financial impact of the contract across the 25 years of the contract life.	2,151	(162)	1,989	(150)	1,839
Housing Benefit Smoothing Reserve	This reserve has been established to smooth any potential impact of outstanding debtors as housing benefit is subsumed within universal credit.	1,577	0	1,577	(50)	1,527
Education Redundancy Reserve	The reserve was established to meet the anticipated costs of redundancies as a result of falling pupil rolls within maintained schools.	1,916	379	2,295	(373)	1,922
Riverside Transfer	Reserve established to fund ongoing maintenance of Homes and Communities Agency land transferred to the Council.	1,334	(105)	1,229	(105)	1,124

Reserves	Purpose of the Reserve	Opening Balance 01.04.2020 £m	Forecast Movement in Year £m	Closing Balance 31.03.2021 £m	Forecast Movement in Year £m	Forecast Closing Balance 31.03.2022 £m
House Sale Income	The reserve relates to the sale of clients' homes that will be utilised to support future support needs of those clients.	1,236	0	1,236	0	1,236
Collection Fund Surplus Reserve	Reserve established as part of 2018/19 budget setting to smooth the collection fund surplus benefit into future years.	1,198	335	1,533	0	1,533
Children's Social Care	A reserve to fund any one-off Children's Social Care costs that may arise in the future.	3,000	0	3,000	(3,000)	0
Airport Smoothing Reserve	Reserve established to smooth any delayed airport loan interest payment that may arise.	1,253	(36)	1,217	0	1,217
Public Health Reserve	Ringfenced grant funding for public health initiatives	1,888	1,710	3,598	(100)	3,498
Other Earmarked Revenue Reserves	Numerous small revenue reserves less than £1m which are set up for specific purposes.	17,341	(10,725)	6,616	(2,938)	3,678
Total General Fund Reserves		154,632	(26,376)	128,256	(19,252)	109,004
Capital Receipts Reserve	Balance of capital receipts held, pending use to fund the capital programme.	9,062	(2,091)	6,971	(3,233)	3,738
Capital Grants Unapplied	Balance of capital grants held pending expenditure on capital programme.	4,992	0	4,992	0	4,992
Total Usable Reserves		168,686	(28,467)	140,219	(22,485)	117,734

REVENUE BUDGET 2021/2022

**SUNDERLAND CITY COUNCIL
REVENUE ESTIMATES 2021/2022
GENERAL SUMMARY**

APPENDIX J

Revised Estimate 2020/21 £		Estimate 2021/22 £
4,944,539	Leader	4,956,734
55,085,259	Deputy Leader	52,565,465
14,206,989	Cabinet Secretary	12,074,665
80,284,655	Children, Learning and Skills	72,671,385
15,398,047	Vibrant City	14,027,457
106,357,223	Healthy City	89,883,012
6,183,485	Dynamic City	5,195,462
2,913,405	Provision for Contingencies	12,414,359
0	Provision for COVID-19 Contingencies	13,582,617
	Capital Financing Costs	
25,432,670	- Debt Charges	22,079,518
(580,000)	- Interest on balances	(580,000)
(1,253,000)	- Interest on Airport long term loan notes	(1,253,000)
	Transfer to/from Reserves	
0	- Use of Medium Term Planning Smoothing Reserve	(2,248,000)
	- Contribution to/Use of COVID-19 Section 31 Business Rates Reliefs Reserve	(19,838,349)
19,838,349	- Collection Fund Surplus Reserve	2,211,264
335,304	Technical Adjustments: IAS19 and Reversal of Capital Charges	(33,676,024)
(33,058,423)		<u>244,066,565</u>
<u>296,088,502</u>		
	LEVIES	
14,916,061	North East Combined Authority Transport Levy	14,864,859
230,998	Environment Agency	230,998
63,357	North East Inshore Fisheries Conservation Authority	63,357
<u>15,210,416</u>		<u>15,159,214</u>
	Less Grants	
(18,134,423)	Improved Better Care Fund	(18,134,423)
(10,248,830)	Social Care Support Grant	(13,861,106)
(27,399,917)	Section 31 Grants – Business Rates	(7,803,828)
(2,069,869)	New Homes Bonus	(1,517,738)
(13,781)	Inshore Fisheries Conservation Authority	(13,781)
0	Lower Tier Services Grant	(498,714)
(29,659,000)	COVID-19 General Grants	(12,582,617)
(87,525,820)	TOTAL NET EXPENDITURE / LOCAL BUDGET REQUIREMENT	(54,412,207)
67,776	Hetton Town Council	66,836
<u>223,840,874</u>	TOTAL BUDGET REQUIREMENT	<u>204,880,408</u>
	Deduct Grants etc.	
27,955,383	Revenue Support Grant	28,110,161
46,400,234	National Non-Domestic Rates/Retained Business Rates	24,881,319
43,723,862	Top up Grant	43,723,862
835,304	Collection Fund Surplus - Council Tax	0
<u>118,914,603</u>		<u>96,715,162</u>
<u>104,926,271</u>	LOCAL COUNCIL TAX REQUIREMENT INCLUDING PARISH PRECEPT	<u>108,165,246</u>
<u>104,870,340</u>	LOCAL COUNCIL TAX REQUIREMENT EXCLUDING PARISH PRECEPT	<u>108,110,255</u>

**SUNDERLAND CITY COUNCIL
CONTINGENCIES 2021/2022**

APPENDIX J

	£m
Pay and Cost Pressures	7.307
General Contingency	1.500
Rental and Property Service Pressures	0.500
Winter Maintenance	0.300
Economic Downturn	2.807
Total Contingency	12.414

COVID-19 CONTINGENCIES 2021/2022

	£m
COVID-19 General Funding	8.914
Local Council Tax Support	3.669
COVID-19 Local Response Fund	1.000
Total COVID-19 Contingency	13.583

STATEMENT OF GENERAL BALANCES

	£m
Balances as at 31st March 2020	
Use / Addition to Balances 2020/2021	12.000
Use of Balances 2020/2021	
- Contribution to Revenue Budget	0.00
Addition to Balances 2020/2021	
- Transfer from Strategic Investment Reserve to support the 2020/2021 budget	0.00
Estimated Balances 31st March 2021	12.000
Use of Balances 2021/2022	
- Contribution to Revenue Budget	(2.248)
Addition to Balances 2021/2022	
- Transfer from Medium Term Planning Smoothing Reserve to support the 2021/2022 budget	2.248
Estimated Balances 31st March 2022	12.000

ROLES AND RESPONSIBILITIES

Primary overview of Council priorities:

- 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.
- To provide democratic leadership to partners, residents and stakeholders.
- To co-ordinate and apportion the roles and responsibilities of Members.

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Assistant Director Ref.	Revised Estimate 2020/2021 £		Estimate 2021/2022 £
Corporate Services				
1	EDCS	286,032	Corporate and Strategic Management	285,974
2	ADLG	1,275,699	Democratic Core	1,269,207
3	ADF	1,776,304	Local Enterprise Partnership	1,582,834
4	ADLG	497,374	Member Support	498,634
5	EDCS	1,165,890	Policy and Partnerships	743,109
		5,001,299	Total Corporate Services	4,379,758
City Development				
6	EDCD	200,000	Inward Investment	200,000
		200,000	Total City Development	200,000
		5,201,299	TOTAL DELEGATED BUDGET	4,579,758
Non Delegated Budgets				
7		28,638	IAS19 (Pensions)	28,611
8		1,736,403	Support Service Costs - received from other services	1,972,997
9		(2,089,013)	Support Service Costs - charged to other services	(1,691,844)
10		67,212	Asset Charges	67,212
		4,944,539	TOTAL PORTFOLIO BUDGET	4,956,734

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 *.

The revised estimates include the additional costs and lost income arising from the Covid-19 pandemic which have been allocated to services and are primarily funded by Covid-19 General grants. As such inter-year comparisons may be distorted.

PORTFOLIO GLOSSARY

EDCS	Executive Director of Corporate Services
ADLG	Assistant Director of Law & Governance
ADF	Assistant Director of Finance
EDCD	Executive Director of City Development

ROLES AND RESPONSIBILITIES

Primary overview of Council priorities:

- To support the Leader as appropriate, working collectively with the Cabinet and Deputy Cabinet Members.
- To support the Leader in the approach to strategic economic, social and physical regeneration activity in the City.
- To provide political leadership in relation to communications and corporate affairs.
- To provide political leadership to the Council's approach to equalities, safer communities and social inclusion including the work in the city with the armed forces.
- To ensure that the Council's approach to people management and development is enabling and effective.
- To ensure that the Council's approach to Environment and Transport agenda is integrated, enabling and effective and the Council fulfils its strategic and statutory roles in relation to these functions. This includes improving the physical environment and its connectivity for sustainable living, working and visiting the city.
- To provide political leadership to the Council's approach to environment and transport, sustainability and energy partnerships.
- To provide political leadership to the citywide approach to carbon reduction.

Policy Oversight to include:

- Environment, Transport, Infrastructure, Public Protection and Place Regulation functions.

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.

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Assistant Director Ref.	Revised Estimate 2020/2021 £		Estimate 2021/2022 £
Corporate Services				
1	ADLG	872,710	Coroners Court	877,765
2	ADCA	1,092,235	Corporate Affairs and Communications	1,087,376
3	EDCS	44,826	Equalities and integration	44,826
4	EDCS	10,828	Local Strategic Partnership	10,828
5	ADLG	(113,486)	Registrars	(91,517)
6	ADPM	2,249,973	Strategic and Operational HR	2,194,592
		4,157,086	Total Corporate Services	4,123,870
City Development				
7	ADER	1,019,670	Business and Investment	803,845
8	ADER	229,009	Business Development	229,450
9	ADER	1,000,000	Carbon Reduction	1,000,000
10	ADIPT	1,458,824	Infrastructure and Transportation*	1,086,872
11	ADIPT	(536,166)	Parking Services	(1,302,432)
12	PD	479,033	Port of Sunderland*	427,425
13	EDCD	215,291	Strategic Management	271,736
14	ADIPT	6,391,307	Street Lighting	6,516,290
		10,256,968	Total City Development	9,033,186
Neighbourhoods				
15	ADCR	(2,309,060)	Bereavement	(2,311,488)
16	ADHS	1,101,133	Building Cleaning	938,718
17	ADHS	369,806	Building Services*	(845,602)
18	ADCE	88,511	Civic Catering	28,147
19	ADES	569,577	Depots	569,577
20	ADES	3,573,399	Fleet	3,295,496
21	ADES	7,833,131	Local Services	7,604,080
22	ADHS	164,031	Public Conveniences	160,792
23	ADCR	1,503,420	Public Protection and Regulatory Services	1,504,080
24	ADCR	267,574	Safer Communities	184,208
25	ADCE	275,243	School Meals	73,914
26	ADES	1,448,134	Waste Collection and Recycling	1,314,108
27	ADES	11,436,821	Waste Disposal	12,301,956
		26,321,720	Total Neighbourhoods	24,817,986
		40,735,774	TOTAL DELEGATED BUDGET	37,975,042
Non Delegated Budgets				
28		637,557	IAS19 (Pensions)	870,183
29		16,480,046	Support Service Costs - received from other services	16,418,885
30		(15,786,727)	Support Service Costs - charged to other services	(15,502,270)
31		13,018,609	Asset Charges	12,803,625
		55,085,259	TOTAL PORTFOLIO BUDGET	52,565,465

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PORTFOLIO GLOSSARY

ADLG	Assistant Director of Law & Governance
ADCA	Assistant Director of Corporate Affairs
EDCS	Executive Director of Corporate Services
ADPM	Assistant Director of People Management
ADER	Assistant Director of Economic Regeneration
ADIPT	Assistant Director of Infrastructure, Planning & Transportation
PD	Port Director
EDCD	Executive Director of City Development
ADCR	Assistant Director of Community Resilience
ADHS	Assistant Director of Housing Services
ADCE	Assistant Director of Culture and Events
ADES	Assistant Director of Environmental Services (Interim)

ROLES AND RESPONSIBILITIES

Primary overview of Council priorities:

- To provide political leadership to the Council's approach to the efficient and effective deployment of resources 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.
- To provide political leadership to the Council's approach to commissioned and procured partnerships as well as partnerships where Sunderland is the lead authority.

Policy Oversight to include:

- Corporate Services and Data Protection functions.

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Assistant Director Ref.	Revised Estimate 2020/2021 £		Estimate 2021/2022 £
Corporate Services				
1	ADBPS	(217,819)	Area Facilities	(216,872)
2	ADBPS	771,435	Asset Management	770,019
3	ADBPS	1,988,317	Audit, Risk and Assurance	1,897,755
4	ADF	163,210	Benefits Service	662,759
5	ADBPS	2,660,356	Business Support	2,679,621
6	ADBPS	1,312,430	Civic Buildings	2,554,878
7	ADBPS	241,725	Civil Contingencies	210,047
8	ADF	2,482,253	Corporate Management	77,942
9	ADSC	2,084,316	Customer Service Network	2,077,612
10	ADBPS	182,480	Data Protection Office	176,162
11	ADLG	649,180	Electoral Services	649,415
12	ADF	2,447,371	Financial Management	2,394,094
13	ADLG	606,250	Governance Services	605,553
14	ADSC	6,773,991	ICT	6,229,825
15	ADBPS	46,449	Information Governance	38,879
16	ADLG	1,009,401	Legal Services	1,006,102
17	ADBPS	62,561	Procurement	424,068
18	ADBPS	487,390	Purchase to Pay	457,350
19	ADBPS	2,192,158	Repairs and Renewals	2,088,216
20	ADF	623,490	Revenues	429,382
21	ADBPS	1,360,878	Security Services	1,489,554
22	ADSC	678,222	Transformational Change Team	595,262
		28,606,044	Total Corporate Services	27,297,623
City Development				
23	ADIPT	(203,260)	Capital Project Team	(238,766)
		(203,260)	Total City Development	(238,766)
		28,402,784	TOTAL DELEGATED BUDGET	27,058,857
Non Delegated Budgets				
24		515,184	IAS19 (Pensions)	669,964
25		15,177,940	Support Service Costs - received from other services	15,519,908
26		(32,264,675)	Support Service Costs - charged to other services	(33,485,955)
27		2,375,756	Asset Charges	2,311,891
		14,206,989	TOTAL PORTFOLIO BUDGET	12,074,665

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 *.

**REVENUE BUDGET 2021/2022
CABINET SECRETARY**

APPENDIX J

The revised estimates include the additional costs and lost income arising from the Covid-19 pandemic which have been allocated to services and are primarily funded by Covid-19 General grants. As such inter-year comparisons may be distorted.

PORTFOLIO GLOSSARY

ADBPS	Assistant Director of Business & Property Services
ADF	Assistant Director of Finance
ADDCS	Assistant Director of Smart Cities
ADLG	Assistant Director of Law & Governance
ADIPT	Assistant Director of Infrastructure, Planning & Transportation

**REVENUE BUDGET 2021/2022
CHILDREN, LEARNING AND SKILLS**

APPENDIX J

ROLES AND RESPONSIBILITIES

Primary overview of Children, Learning and Skills priorities:

- To be the designated “lead member for children’s services” in accordance with Section 19 of the Children Act 2004.
- To provide political leadership to the Council’s approach to the priorities of Children, Learning and Skills to ensure that children and young people achieve the best outcomes and supporting adult all age learning and skills.
- To ensure that the Council’s approach to the Children, Learning and Skills agenda is integrated, enabling and effective and the Council fulfils its statutory role in relation to these functions.
- To provide political leadership to the Council’s approach to Children, Learning and Skills partnerships.

Policy Oversight to include:

- Children, Learning and Skills functions.
- Adult and Public Health functions.

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Assistant Director Ref.	Revised Estimate 2020/2021 £		Estimate 2021/2022 £
People Services				
Educational Attainment and Lifelong Learning				
1	ADCR	56,940,641	DSG and Other Grant – Schools	60,059,762
2	ADCR	661,511	DSG and Other Grant – Central School Services	735,326
3	ADCR	19,721,591	DSG Early Years Block	19,898,340
4	ADCR	21,474,517	DSG High Needs Block	25,082,948
5	ADCR	(99,381,260)	DSG and Other School Grants	(106,359,376)
6	ADCR	3,160,714	Retained Activity – Schools and Learning	2,265,606
		2,577,714	Total Educational Attainment and Lifelong Learning	1,682,606
7	EDCS	68,825,584	Together for Children	62,505,584
8	ADCR	43,250	Director of Children’s Services	38,903
		71,446,548	Total Peoples Services	64,227,093
Neighbourhoods				
9	ADCR	248,865	Sunderland Safeguarding Children’s Board	206,181
10	ADCE	679,192	Trading Operations – Derwent Hill*	228,663
11	ADCR	(102,120)	Learning and Skills	(132,538)
		825,937	Total Neighbourhoods	302,306
		72,272,485	TOTAL DELEGATED BUDGET	64,529,399
Non Delegated Budgets				
12		471,878	IAS19 (Pensions)	635,741
13		551,202	Support Service Costs - received from other services	540,135
14		(252,250)	Support Service Costs - charged to other services	(262,470)
15		7,241,340	Asset Charges	7,228,580
		80,284,655	TOTAL PORTFOLIO BUDGET	72,671,385

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 *.

The revised estimates include the additional costs and lost income arising from the Covid-19 pandemic which have been allocated to services and are primarily funded by Covid-19 General grants. As such inter-year comparisons may be distorted.

PORTFOLIO GLOSSARY

ADCR	Assistant Director of Community Resilience
EDCS	Executive Director of Corporate Services
ADCE	Assistant Director of Culture and Events

ROLES AND RESPONSIBILITIES

Primary overview of Vibrant City priorities:

- To provide political leadership to the Council's approach to the priorities of local communities to achieve the best outcomes as well as ensuring a wide-ranging cultural offer and communities having the access to the opportunities on offer on the city.
- To ensure that the Council's approach to the Communities, Culture, Leisure and Community Resilience agenda is integrated, enabling and effective and the Council fulfils its strategic and statutory roles in relation to these functions.
- To provide political leadership to the Council's approach to Area/Community and Cultural Partnerships.

Policy Oversight to include:

- Communities and Culture functions, including tourism and heritage.

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Assistant Director Ref.	Revised Estimate 2020/2021 £		Estimate 2021/2022 £
Neighbourhoods				
1	ADCR	907,815	Area Arrangements	905,999
2	ADCE	137,096	Arts and Creative Development	105,770
3	ADCE	673,153	Community Sports and Physical Activity Development	675,528
4	ADCR	417,534	Environmental Enforcement	413,297
5	ADCE	1,409,677	Events	1,399,164
6	ADCE	62,189	Grants to Community Projects and Miscellaneous Contributions	50,405
7	ADCE	142,108	Heritage	140,865
8	ADCE	742,157	Libraries	651,390
9	ADCE	857,277	Museums and Archives Service	842,616
10	ADCR	2,276,666	Neighbourhood Fund	2,256,666
11	ADCE	(14,830)	Resorts	(14,998)
12	ADCE	1,663,221	Sport and Leisure Facilities	468,221
13	ADCE	340,719	Theatre	344,825
14	ADCE	79,204	Tourism	79,204
		9,693,986	TOTAL DELEGATED BUDGET	8,318,952
Non Delegated Budgets				
15		73,062	IAS19 (Pensions)	98,042
16		2,067,857	Support Service Costs - received from other services	2,054,060
17		(763,367)	Support Service Costs - charged to other services	(726,253)
18		4,326,509	Asset Charges	4,282,656
		15,398,047	TOTAL PORTFOLIO BUDGET	14,027,457

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The revised estimates include the additional costs and lost income arising from the Covid-19 pandemic which have been allocated to services and are primarily funded by Covid-19 General grants. As such inter-year comparisons may be distorted.

PORTFOLIO GLOSSARY

ADCR	Assistant Director of Community Resilience
ADCE	Assistant Director of Culture and Events

ROLES AND RESPONSIBILITIES

Primary overview of Healthy City priorities:

- To provide political leadership to the Council's approach to the priorities of health and life chances of children and adults and providing all-population approach to public health to achieve the best outcomes.
- To ensure that the Council's approach to the Adults and Public Health agenda is integrated, enabling and effective and the Council fulfils its strategic roles in relation to these functions.

Policy Oversight to include:

- Adult and Public Health functions.

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Assistant Director Ref.	Revised Estimate 2020/2021 £		Estimate 2021/2022 £
			Neighbourhoods	
1	ADAS	72,252,460	Adult Social Care, including Older People, People with Physical, Learning and Mental Health Disabilities	52,450,916
2	ADAS	27,689,929	Strategic Commissioning	31,159,015
3	ADAS	680,860	Welfare Reform	483,840
		100,623,249	Total Neighbourhoods	84,093,771
			Joint Commissioning and Public Health	
4	EDPHIT	(3,983,048)	Public Health	(3,982,297)
		(3,983,048)	Total Joint Commissioning and Public Health	(3,982,297)
		96,640,201	TOTAL DELEGATED BUDGET	80,111,474
			Non Delegated Budgets	
5		297,531	IAS19 (Pensions)	413,433
6		38,373,369	Support Service Costs - received from other services	40,437,666
7		(29,024,860)	Support Service Costs - charged to other services	(31,117,599)
8		70,982	Asset Charges	38,038
		106,357,223	TOTAL PORTFOLIO BUDGET	89,883,012

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 *.

The revised estimates include the additional costs and lost income arising from the Covid-19 pandemic which have been allocated to services and are primarily funded by Covid-19 General grants. As such inter-year comparisons may be distorted.

PORTFOLIO GLOSSARY

ADAS	Assistant Director of Adult Services
EDPHIT	Executive Director of Public Health and Integrated Commissioning

ROLES AND RESPONSIBILITIES

Primary overview of Dynamic City priorities:

- To provide political leadership to the Council's approach to the priorities of Housing, Regeneration and Planning priorities, ensuring that the City achieves the best outcomes from physical and economic regeneration including business and housing growth.
- To ensure that the Council's approach to Housing and Regeneration agenda is integrated, enabling and effective and the Council fulfils its strategic and statutory roles in relation to these functions.
- To provide political leadership to the Council's approach to partnerships relating to housing and regeneration.

Policy Oversight to include:

- Regeneration and Housing functions, including dealing with homelessness.

FINANCIAL

OBJECTIVE SUMMARY

Ref.	Assistant Director Ref.	Revised Estimate 2020/2021 £		Estimate 2021/2022 £
			Corporate Services	
1	ADBPS	(2,628,082)	Miscellaneous Land, Property and Industrial Estates	(2,905,877)
2	ADBPS	(308,629)	Retail Market	(307,191)
		(2,936,711)	Total Corporate Services	(3,213,068)
			City Development	
3	ADIPT	(51,139)	Building Control	(73,794)
4	DD (LI)	(871,286)	Commercial Development	(874,961)
5	ADIPT	(172,637)	Development Control	(172,003)
6	ADER	967,350	Planning Implementation	648,689
7	DD (LI)	(1,887,027)	Regeneration Properties	(1,784,551)
		(2,014,739)	Total City Development	(2,256,620)
			Neighbourhoods	
8	ADHS	1,525,182	Access to Housing	1,072,689
9	ADCR	320,500	Anti-Social Behaviour	321,564
10	ADHS	759,000	Supporting People	651,500
		2,604,682	Total Neighbourhoods	2,045,753
		(2,346,768)	TOTAL DELEGATED BUDGET	(3,423,935)
			Non Delegated Budgets	
11		91,252	IAS19 (Pensions)	118,658
12		3,619,903	Support Service Costs - received from other services	3,684,506
13		0	Support Service Costs - charged to other services	0
14		4,819,098	Asset Charges	4,816,233
		6,183,485	TOTAL PORTFOLIO BUDGET	5,195,462

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The revised estimates include the additional costs and lost income arising from the Covid-19 pandemic which have been allocated to services and are primarily funded by Covid-19 General grants. As such inter-year comparisons may be distorted.

PORTFOLIO GLOSSARY

ADBPS	Assistant Director of Business & Property Services
ADIPT	Assistant Director of Infrastructure, Planning & Transportation
ADER	Assistant Director of Economic Regeneration
DD (LI)	Development Director (Land & Investment)
ADHS	Assistant Director of Housing Services
ADCR	Assistant Director of Community Resilience

