

**CABINET**

**2 FEBRUARY 2023**

**REVENUE BUDGET AND PROPOSED COUNCIL TAX FOR 2023/2024 AND MEDIUM TERM FINANCIAL PLAN 2023/2024 TO 2026/2027**

**Report of the Director of Finance**

**1. Purpose of Report**

- 1.1 The purpose of the report is to set out:
- the overall revenue budget position for 2023/2024 including the proposed council tax;
  - the projected reserves position as at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2024 and advise on their sufficiency;
  - a risk analysis of the Revenue Budget 2023/2024;
  - a summary of the emerging medium term financial position facing the Council from 2023/2024 to 2026/2027 and associated Council Efficiency strategy;
  - any views received from residents, the local Business Sector, Trade Unions, Schools Forum and Scrutiny Coordinating Committee; and
  - the updated City Plan 2023-35 including the indicative timeline.

**2. Description of Decision**

- 2.1 Cabinet is requested to:
- recommend to Council the proposals set out in the report including the proposed Revenue Budget for 2023/2024 set out at Appendix J;
  - recommend to Council the Medium Term Financial Plan 2023/2024 to 2026/2027 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 2023/2024 and more detailed recommendations set out at Appendix F alongside agreeing the other recommendations within Appendix F;
  - note the views, expressed by residents, the local Business Sector, Trade Unions and Scrutiny Coordinating Committee; and
  - recommend to Council the adoption of the updated City Plan 2023-35 including the indicative timeline.

**3. Introduction**

- 3.1 In January 2023 Cabinet received an update on the budget position following the Provisional Local Government Finance Settlement 2023/2024. 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 2022/2023 and additional grant announcements;
  - the estimation of business rates resources;
  - the final forecast collection fund position for both council tax and business rates;
  - confirmation of the 2023/2024 local government pay awards;
  - 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 2023/2024 this report covers the following areas:

- Final funding position at February 2023 (section 4);
- Spending Pressures and Commitments (section 5);
- Budget Reduction Proposals (section 6);
- Proposed Increase to Council Tax (section 7);
- Overall Budget Position 2023/2024 (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 2023/2024 (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 2023**

4.1 The January 2023 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, at the time of writing this report is yet to be received. Should the final settlement contain any revisions to the draft settlement or forecasts assumed within the budget presented in the report, these will be considered at the time of the first quarterly revenue 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 2023/2024.

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

4.4 The Council awaits notification of the final local government finance settlement from the Government. Any changes required following receipt of the final settlement will be considered at the time of the first quarterly revenue review. As such there is currently 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 2023/2024, this measure includes:

- Settlement Funding Assessment (SFA) comprising:
  - Revenue Support Grant (RSG);
  - Baseline Funding (Top Up Grant); and
  - Assumed Retained Business Rates.
- Compensation for the under-indexing of the Business Rates Multiplier;
- Council Tax Income, which the Government assumes a 4.99% increase is applied in addition to additional income from growth in the council tax base;

- Local Government element of the Improved Better Care Fund;
- New Homes Bonus;
- Social Care Grant;
- ASC Market Sustainability and Improvement Fund;
- ASC Discharge Fund; and
- Services Grant.

4.6 CSP will increase by an average 9.17% nationally in 2023/2024. For Sunderland the increase is 10.69% (based upon a Government assumed council tax increase of 4.99%) as shown in the table below. As noted, nationally 38% of this increased spending power is assumed from Council Tax rises. Given Sunderland's relatively lower Council Tax base this proportion is much lower, at 21.8%.

	2022/23 £m	2023/24 £m	change £m	change %
Settlement Funding Assessment	114.844	121.554	6.710	5.84%
Compensation for under-indexing Business Rates Multiplier (Section 31 Grant)	8.776	15.174	6.398	72.90%
Council Tax Requirement excluding parish precepts	114.706	121.365	6.659	5.81%
Improved Better Care Fund	18.684	18.684	0.000	0.00%
New Homes Bonus	1.842	1.183	-0.659	-35.78%
Social Care Grant	18.586	29.337	10.751	57.84%
Market Sustainability and Fair Cost of Care Fund	1.058	0.000	-1.058	-100.00%
Market Sustainability and Improvement Grant	0.000	3.671	3.671	100.00%
ASC Discharge Grant	0.000	2.619	2.619	100.00%
Lower Tier Services Grant	0.525	0.000	-0.525	-100.00%
Services Grant	5.920	3.336	-2.584	-43.65%
Grants rolled in	1.373	0.000	-1.373	-100.00%
<b>Sunderland Total Core Spending Power</b>	<b>286.314</b>	<b>316.923</b>	<b>30.609</b>	<b>10.69%</b>
<i>Memorandum National Position</i>				9.17%

4.7 For Sunderland there is a 5.84% increase in SFA for 2023/2024. The relatively low percentage increase is as a result of the continued business rates multiplier freeze for 2023/2024 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 business rates received will be dependent on the Council's own position which will be confirmed within the National Non-Domestic Rates ('NNDR') statistical collection Form 1 (budget forecast). The increase in Revenue Support Grant is in line with inflation and is further increased as the previously separate grants for Family Annex Council Tax Discount Grant, Local Council Tax Support Administration Subsidy Grant and Food Safety Enforcement Grant have been merged in to RSG from 2023/2024.

4.8 The Government will continue to compensate councils for any changes to nationally determined reliefs allowed for in the Business Rate regime. The Government have confirmed further business rate support for the retail, hospitality and leisure sectors in 2023/2024 in response to the ongoing impact of the cost of living crisis. The CSP includes an assumed allocation of £15.174m Section 31 grant in 2023/2024, with the actual figure received dependent on the Council's own NNDR position confirmed within the NNDR1 form submitted by 31 January 2023 which includes the value of any additional business rates reliefs funded by the Government.

#### 4.9 Improved Better Care Fund

The Improved Better Care Fund (IBCF) 2023/2024 allocation has been frozen at the 2022/2023 level. This is in line with budget planning forecasts.

#### 4.10 New Homes Bonus (NHB)

The national quantum of funding available for NHB has been reduced by £264m, to £291m for 2023/2024. The funding removed from this budget area has been utilised by Government to fund increases elsewhere in the provisional settlement. Sunderland's allocation of NHB has reduced from £1.842m in 2022/2023 down to £1.183m in 2023/2024. Given the potential phasing out of this grant implied by the latest settlement and the Government's intention to consult on NHB during 2023/2024, future years' assumed allocations have been prudently removed from budget planning from 2024/2025.

#### 4.11 Social Care Grant

As anticipated, Social Care Grant allocations from prior years have been maintained. In addition to this, a significant proportion of the increased investment into local government announced in the Chancellor's Autumn Statement has been directed towards Social Care, namely:

- Social Care Grant - Repurposing of funding previously earmarked by the Government for Social Care Charging Reforms of £1.346 bn nationally in 2023/2024 and a further £0.612 billion in 2024/2025. The Chancellor announced the postponement of the Social Care reforms plans from October 2023 to October 2025. The earmarked funding to implement a care cost cap and increase the upper capital limit for accessing care, is now being released to allow councils to meet their mounting financial pressures in both adults and children's social care delivery. It is unclear how the reforms, which have been delayed until October 2025, will subsequently be funded.

From this allocation Sunderland will receive additional funding of £9.936m in 2023/2024, budget planning has been updated accordingly. The previously separate, Independent Living Grant (£815,000) has now been merged into this allocation from 2023/2024.

- ASC Market Sustainability and Improvement Fund – additional national allocation of £0.400bn in 2023/2024 (a further £0.282bn in 2024/2025). The Government expects this new grant funding will “enable Councils to make tangible improvements to adult social care and, in particular, to address discharge delays, social care waiting times, low fee rates, workforce pressures, and to promote technological innovation in the sector”.

From this allocation Sunderland will receive additional funding of £2.613m in 2023/2024, budget planning has been updated accordingly.

- ASC Discharge Fund – New national allocation of £0.3bn in 2023/2024 (a further £0.2bn in 2024/2025) will be distributed to councils to help “ensure

those people who need to draw on social care when they are discharged from hospital can leave as soon as possible, freeing up hospital beds for those who most need them”.

From this allocation Sunderland will receive additional funding of £2.619m in 2023/2024 which must be pooled with existing iBCF funding - budget planning has been updated accordingly.

These grants will support the specific rising cost pressures on adults and children's social care as noted in prior reports, and also in paragraphs 5.15 to 5.19 below. Details of any conditions and additional reporting requirements are awaited.

#### 4.12 Lower Tier Services Grant

The Lower Tier Services unringfenced grant was introduced in 2021/2022 with £111m allocated to councils with responsibility for services such as homelessness, planning, recycling and refuse collection and leisure services. In 2022/2023 Sunderland's allocation was £0.525m. This grant has been abolished from 2023/2024 to fund increases elsewhere in the settlement. Budget planning has been updated from 2023/2024 to reflect the loss of this grant.

#### 4.13 Services Grant

In recognition of the service delivery cost pressures facing councils, a new Services Grant totalling £822m nationally was announced for 2022/2023. This national grant allocation has been significantly reduced in 2023/2024, beyond that assumed in relation to the cost of the abolished national insurance contributions for social care, to fund increases elsewhere in the settlement. Sunderland's allocation has reduced from £5.920m in 2022/2023 down to £3.336m in 2023/2024 - budget planning has been updated accordingly

#### Funding Outside of Core Spending Power

#### 4.14 Public Health Grant

At the time of writing, the allocation for the Public Health grant remains outstanding. The 2021 Spending review did indicate Public Health grant funding will be maintained in real terms, indicating an inflationary based increase. The budget planning will be updated as required when the final grant allocation for 2023/2024 is known.

#### 4.15 Housing Benefit and Council Tax Administration Grants

Similarly, the allocation for the Housing Benefit and Council Tax Administration Grants have yet to be notified. Financial planning assumes a freeze in this funding stream. The budget planning will be updated as required when the final grant allocation for 2023/2024 is known.

## **Council Tax**

- 4.16 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.
- 4.17 In the provisional settlement, the Government confirmed the referendum threshold for 2023/2024, being that the core element is subject to a maximum increase of up to 3%. In addition, Social Care authorities can levy an additional 2% 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.
- 4.18 The 2022/2023 Council Tax Collection Fund position is reported elsewhere on this agenda. When setting the forecast council tax position for 2022/2023 the continuation of the Covid-19 pandemic, led to a reduced council tax income assumption for the year. The actual council tax collection was better than anticipated resulting in a forecast in-year surplus for the Council of £1.493m, which will be released from the collection fund to support the Council's budget position in 2023/2024. In addition, the variance from forecast and actual position of £0.128m for 2021/2022 will also be released to the budget position in 2023/2024 as a one-off benefit. This impact has been reflected in the 2023/2024 budget and the Medium Term Financial Plan (MTFP).
- 4.19 Full Council, at its meeting on 25<sup>th</sup> January 2023, approved the council tax base for the area covered by Hetton Town Council (4,185) and the City Council area (73,619). The base has increased from 2022/2023 primarily due to an anticipated reduced uptake of the Local Council Tax Support Scheme and also increases in house building across the city.
- 4.20 The Government has announced £100 million of additional funding for local authorities to support the most vulnerable households in England with their council tax bills. This funding will allow councils to deliver additional support to households already receiving Council Tax support, whilst also providing councils with the resources and flexibility to determine the local approaches to support other vulnerable households in their area. The Council has been allocated £819,369 and the Government has specified that support of £25 must be applied to households currently receiving council tax support with their council tax bills. Any remaining funding can be used to support other households with their council tax bills – these households could include those that become eligible for council tax support during the year or those in receipt of welfare support – again the support is limited to £25.

## **Retained Business Rates**

- 4.21 The NNDR 1 form sets out the Business Rate income forecast for 2023/2024 and is to be submitted to the Government by 31<sup>st</sup> January 2023 in accordance with regulations. The amount of business rates to be retained by the Council for 2023/2024 is forecast to be £46.925m, this amount has been reduced by £3.546m, due to the Retail, Hospitality & Leisure reliefs grant for 2023/2024, for which the Council will be fully compensated through an increased Section 31 grant from the Government.

## Schools' Funding

- 4.22 The Schools' Funding announcement on 16<sup>th</sup> December 2022 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 2021 to October 2022:

	<b>Provisional Allocations 2023/24</b>	<b>16-Dec Settlement 2023/24</b>	<b>Change in Funding 2023/24</b>
	£m	£m	£m
Schools	200.09	201.53	1.44
School-Growth Fund	*N/A	0.99	0.99
Schools Additional Grant		7.10	7.10
Central Services	1.39	1.41	0.02
High Needs	40.36	40.80	0.44
High Needs Additional Grant		1.84	1.84
Early Years	*N/A	20.57	N/A
<b>Total</b>	<b>241.84</b>	<b>274.24</b>	<b>11.83</b>

\* Provisional Schools Block allocation excludes Growth Funding and Early Years

- 4.23 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 2023 census data.
- 4.24 Cabinet agreed in January to the principles proposed by the Sunderland Schools Forum for the 2023/2024 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 Basic Entitlements set at Primary £3,335.78, Key Stage 3 £4,716.96, Key Stage 4 £5,320.67; and
  - Transfer of 0.5% (£1,012,591) to the High Needs Block in recognition of ongoing pressures.

Sunderland is deemed to be at Full NFF as all factors are within the NFF allowable parameters.

- 4.25 The Local Funding Formula was submitted to the Education and Skills Funding Agency on 20 January 2023.

## 5 Spending Pressures and Commitments 2023/2024

- 5.1 When the Budget Planning Framework was approved in October 2022 and subsequently updated in December 2022 and January 2023, Cabinet agreed that the following spending commitments would be taken into account:
- provision in respect of pay awards and employer national insurance contribution increases;

- 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 the cost of living crisis;
- the impact of demographic changes, complex needs and cost pressures in respect of adult social care;
- the impact of demand and costs pressures within children's social care;
- transport levy contributions;
- 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, the pay award for 2023/2024 is not yet agreed. Given the on-going high levels of inflation, current budget planning incorporates provision for a 5% pay award in 2023/2024, then reducing to 2% for 2024/2025 and future years, aligned with the period that inflation is set to significantly fall. As most pay budgets now reflect provision for "top of the grade", no provision is set aside for pay increments.

#### **5.4 Employer National Insurance Contributions**

In September 2022 the Government announced the reversal of the newly introduced 1.25% increase in Employer's National Insurance contribution rate. The reversal was for both the employee and employer elements of national insurance and took effect from 6th November 2022. The full year saving impact of this change for the Council and its wholly owned companies is £1.293m. This has been reflected in the budget position.

#### **5.5 General Contract Inflationary Increases**

There is upward cost pressure on the Council's services due to the impact on general costs and contracts as a result of escalating inflation. Current CPI inflation of 10.5% (December 2022) is expected to remain at historically higher levels throughout much of 2023, before falling to the 2% target at the end of 2024.

Provision is included within the budget for the impact of general contract inflation, including on contracts, any impact of the National Living Wage and significantly the Council's commitment to the Real Living Wage for contractors. This includes contract inflation for both Sunderland Care and Support (SCAS) and Together for Children (TfC), the costs of which fall on the Council's general fund.

Provision for inflationary increases where appropriate in discretionary fees and charges has been included within budget planning. An updated schedule of fees and charges for 2023/2024 will be published prior to 30 September 2023 in line with the fees and charges policy.

#### **5.6 Energy**

The unprecedented escalation of energy prices is having a significant impact on residents, businesses and public bodies. The Council has experienced a doubling of energy costs in the last year with further increases expected during 2023/2024. The



Government's support to non-domestic users announced on 21<sup>st</sup> September provides guaranteed relief for a 6 month period (1<sup>st</sup> October 2022 to 31<sup>st</sup> March 2023). On 9<sup>th</sup> January 2023 the Government announced an amended scheme through to 31<sup>st</sup> March 2024 but at a much lower level of support and based upon applying a discount to wholesale costs. Whilst public sector organisations are eligible for this new scheme, based upon an initial high level assessment it is unlikely that any financial support will be received to reduce the current forecast energy costs included within the 2023/2024 budget and therefore the full and significant energy cost increases have been included in the budget.

**5.7 Transport Levy**

Uncertainty remains about the eligibility for energy support for local transport, notably the Metro system which is facing significant cost pressures from significantly escalated electricity prices. Financial planning has been updated to meet a potential increase in the Council's Transport Levy contribution for 2023/2024, which is consistent with the Joint Transport Committee's budget proposals if the Department for Transport do not provide sufficient funding for the Metro cost pressures. At the time of writing the Transport Levy is still to be agreed by the Joint Transport Committee.

**5.8 Budget Pressures and New Spending Priorities**

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

**Deputy Leader**

**5.9 Pest Control Services**

The Council's current commitment is to provide pest control services to Sunderland residents free of charge until the end of March 2023. £0.380m of funding will be provided to allow this service to continue to be used free of charge by residents in 2023/2024 and future years.

**5.10 Residential Bin Replacements**

£0.250m of funding will be provided to allow free wheelie bin replacements to residents for stolen bins in 2023/2024 and future years.

**5.11 Bulky Waste**

£0.410m of funding will be provided to enable residents to access a free of charge Bulky Waste collection service in 2023/2024 and future years.

In addition to the above, a city wide strategy for the use of CCTV within the city is being developed with a full review of the current provision. Once considered and approved by Cabinet, any investment requirement will be considered during 2023/2024.

**Cabinet Secretary**

**5.12 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. The required provision to support the proposed Capital Programme for 2023/2024 through to 2026/2027 has been factored in to the 2023/2024 budget and MTFP.

#### 5.13 External Audit Fees

The renewal of the Council's external audit provider is required for the 5 year period from 2023/2024. As in previous years the procurement process is managed by the Public Sector Audit Appointments body. Given the delivery issues currently within the audit sector nationally, significant fee increases from all tendering firms have been made for all councils. Additional budget provision of £0.180m has been added to the budget from 2023/2024.

#### 5.14 Pensions

Following the conclusion of the Tyne and Wear Pension Fund triennial review, the fund position is more favourable than had prudently been provided for within the Council's budget planning. The £2.000m provision for a potential increase from 2023/2024 has now been removed from the budget planning in that year but has been included as a potential cost pressure in 2026/2027 when the next review will take place.

### **Children Learning and Skills**

#### 5.15 Inflationary increase

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

#### 5.16 Demand and Cost Pressures - TfC

Despite a reducing number of cared for children, the increasing complexity of children's needs and finite capacity in the residential market is leading to higher prices being charged for accommodation. These in-year pressures are expected to grow in 2023/2024 due to the forecast continuation of elevated inflationary levels. In addition the national pressure on Home to School Transport post Covid, is being acutely felt in Sunderland with these in-year pressures also forecast to continue.

- 5.17 Given the above inflationary and demand led pressures additional budget provision for TfC of £9.461m has been included in the budget from 2023/2024. Separately, following a full review by TfC a £5.365m budget reduction is supported by further transformational changes in service delivery, cost avoidance and income generation.

### **Healthy City**

#### 5.18 Adults Social Care 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 55,300 in 2020 to 69,500 by 2040 (an increase of 26%) and the number of people aged 85 years and over (i.e. those generally with the greatest care needs) is forecast to rise from around 6,300 in 2020 to

10,000 in 2040 (an increase of 59%). 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. The Council and its NHS partners are working together to integrate health and care and to develop plans collectively to enable the organisations to achieve more than they can individually to improve health and care outcomes and reduce health inequalities in Sunderland.

Demand for social care packages to support hospital discharges has increased significantly 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.

Provision for additional increased Adult Social Care of £7.750m relating to demand has been included in the 2022/2023 budget and will be kept under review.

#### 5.19 Adult Social Care Inflationary increases

The inflationary pressure on the care home sector continues to rise, linked to staff costs, staff retention, utilities, supplies, food and ongoing covid compliance arrangements. An assessment has indicated further funding will be needed to meet pressures in 2023/2024.

The National Living Wage represents a significant cost pressure for local authorities 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.

Additional provision of £4.694m has been added to 2023/2024 budget, with further provision held in contingency should inflationary pressures surpass this level.

### Spending Pressures and Commitments Summary

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

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
<b>Spending Pressures and Commitments</b>					
Pay	14.652	3.938	4.060	4.170	<b>26.820</b>
Energy	5.566	0.500	0.500	0.500	<b>7.066</b>
Other Price and Contract Inflation (inc.Social Care)	18.338	8.020	8.711	6.465	<b>41.534</b>
Social Care Demand Pressures	9.084	1.119	1.500	1.500	<b>13.203</b>
Transport Levy	0.711	0.600	0.500	0.500	<b>2.311</b>
Pest Control	0.380	0.000	0.000	0.000	<b>0.380</b>
Free Bin replacements	0.250	0.000	0.000	0.000	<b>0.250</b>
Bulky Waste	0.410	0.000	0.000	0.000	<b>0.410</b>
Other Service Pressures	1.544	0.500	0.000	0.000	<b>2.044</b>
Capital Financing	0.000	5.630	3.000	3.000	<b>11.630</b>
Pensions Actuarial Review	0.000	0.000	0.000	2.000	<b>2.000</b>
<b>Total Spending Pressures and Commitments</b>	<b>50.935</b>	<b>20.307</b>	<b>18.271</b>	<b>18.134</b>	<b>107.648</b>

## 6 Budget Reduction Proposals

- 6.1 Budget reduction proposals were approved at December and January Cabinet meetings to be taken forward through the budget process, and 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 2023/2024 is included 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.

Portfolio	Savings Proposal 2023/2024 (£m)	Savings Proposal 2024/2025 (£m)	Savings Proposal 2025/2026 (£m)	Savings Proposal 2026/2027 (£m)
Leader	0.067		0.014	
Deputy Leader and Clean Green City	0.238	0.313		0.222
Cabinet Secretary	2.300	(0.188)	(0.100)	
Children Learning Skills	5.515			
Dynamic City	3.035			(2.000)
Healthy City	2.056	0.054		
Vibrant City	0.167			
<b>Total Savings Proposals</b>	<b>13.378</b>	<b>0.179</b>	<b>(0.086)</b>	<b>(1.778)</b>

- 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 2023/2024

- 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 2023/2024. Although the Government's assumption is that councils will increase total council tax by 4.99%, given the current pressures on residents from the cost of living crisis an increase below this level is proposed for 2023/2024.
- 7.2 The referendum limits set out in the local government settlement for 2023/2024 enable the combined council tax and social care precept to be increased by up to 4.99% without the need for a referendum.
- 7.3 Consultation undertaken as part the 2023/2024 budget setting process asked respondents whether they supported increases in council tax up to the Government's 5% referendum limit.

- 7.4 As set out in section 11, consultation responses indicate that an increase in council tax up to the 5% referendum level was not desirable with 54% of respondents either strongly disagreeing or disagreeing.
- 7.5 For 2023/2024 it is proposed to increase core council tax by 1.99% and to increase the social care precept by 1%, resulting in a combined increase of 2.99% i.e., significantly 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 2023/2024. Consequently, the Fire Authority and Police and Crime Commissioner elements of the proposed council tax for 2023/2024 included within Appendix F to this report may be subject to change in line with their respective formal budget setting approval processes.

## 8 Overall Budget Position 2023/2024

- 8.1 The overall budget position is set out below, and takes into account; Government funding changes, cost pressures and proposals to meet the funding gap. As noted in prior reports, the Council has previously created a MTFP Smoothing reserve to address these forecast pressures. It is expected that this reserve will be around £29m at the start of next financial year and the MTFP assumes this will be used over the three year period to 2025/2026. The position below shows a balanced budget position for 2023/2024 taking into account the proposed council tax and social care precept increases and £9.000m use of reserves. There remains a MTFP budget gap of £40.865m for the period 2024/2025 to 2026/2027.

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Spending Pressures and Commitments	50.935	20.307	18.271	18.134	<b>107.648</b>
Government Grant Change	(23.810)	(10.386)	(0.991)	(1.011)	<b>(36.198)</b>
Savings Proposals	(13.378)	(0.179)	0.086	1.778	<b>(11.693)</b>
Collection Fund Impact - Council Tax	(4.897)	(4.507)	(4.414)	(4.566)	<b>(18.383)</b>
Collection Fund Impact - NNDR	(5.281)	2.214	(1.427)	(1.446)	<b>(5.940)</b>
<b>Current MTFP Gap</b>	<b>3.570</b>	<b>7.449</b>	<b>11.525</b>	<b>12.890</b>	<b>35.435</b>
Previously Agreed Use of MTFP Smoothing Reserves	(3.570)	0.000	5.430	3.570	<b>5.430</b>
<b>Current MTFS Gap after previous agreed use of reserves</b>	<b>(0.000)</b>	<b>7.449</b>	<b>16.955</b>	<b>16.460</b>	<b>40.865</b>

- 8.2 The Government have indicated that the new fair funding formula and revised system of retained business rates will be developed and consulted upon in the short to medium term. It should be noted that the MTFP position assumes that should the new fair funding formula and revised system of retained business rates be introduced 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 and smooth 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 2024/2025 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 2023/2024 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 (subject to detail being received from the Government on the extension to the existing flexibilities available to local authorities) and from within the overall corporate resource position.
- 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 2023/2024 to 2026/2027 and Treasury Management Policy and Strategy 2023/2024 report elsewhere on this agenda. At this stage however, individual transformational projects that may require capital receipt support are not yet fully 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 2023/2024, 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 ongoing update as information emerges. The latest updated MTFP 2023/2024 to 2026/2027 is set out at Appendix G.

## **11 Budget Consultation 2023/2024**

- 11.1 Cabinet agreed the proposed consultation and communication arrangements in October 2022 as part of the Budget Planning Framework for 2023/2024.
- 11.2 As outlined in the December report to Cabinet, the budget consultation focused on people's views on the planned proposals to meet the Council's funding gap.
- 11.3 Following December's Cabinet meeting the formal consultation was launched, running from 8<sup>th</sup> December 2022, and closed on 8<sup>th</sup> January 2023. Again, as with the previous year, this was undertaken online with a range of communications to advertise the consultation via social media, the Council website, users of the 'Warm Spaces' and via ward councillors. 169 responses were received. The results are set out in detail at Appendix C.
- 11.4 In general, there was not a strong majority either way on the proposals set out, although slightly more did agree with the approach to the budget than disagreed. Within the

qualitative responses provided, in many cases it was acknowledged that the Council faced difficult decisions, but ideally no further reductions would be required. With regards the proposed council tax increase beyond the current 2.99% planning assumption and up to the 5% Government referendum limit, the majority did not agree.

- 11.5 Existing networks have been utilised to communicate and raise awareness of the consultation with a range of partners including Trades Unions, the North East Chamber of Commerce, Sunderland Business Improvement District and the Schools' Forum.
- 11.6 Feedback and commentary from the formal consultation with Trade Unions and Business representatives is set out at Appendix D.
- 11.7 At each stage in the budget process Scrutiny Committee is being consulted. Comments from Scrutiny Coordinating Committee are set out at Appendix E.
- 11.8 All of the feedback from the various consultations has been considered in bringing together the budget proposals in this report.
- 11.9 Reflections from the 2023/2024 budget consultation will help inform proposed arrangements for future budget consultations.

## **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 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2024 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 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2024. 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 2022/2023 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 Director of Finance, who can confirm that:

Based upon the information used in determining this Revenue Budget 2023/2024 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 2023/2024 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 2022/2023 is in accordance with the existing policy and is considered prudent and robust given the overall level of reserves.



## **14 Detailed Budget 2023/2024**

- 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 2023/2024 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 2023/2024. Consequently, the Fire Authority and Police and Crime Commissioner elements of the proposed council tax for 2023/2024 included within Appendix F to this report may be subject to change in line with their respective formal budget setting approval processes.

### **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 2022/2023 and 2023/2024 have arisen as a result of:
- temporary budget adjustments in 2022/2023;
  - 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 City Plan**

- 15.1 The City Plan, current version approved by Council in February 2022, sets the framework for the allocation of the Council's resources.
- 15.2 As a result of the continuing emerging impacts of the Covid-19 pandemic and other related socio-economic and structural changes impacting on the city, it was agreed to undertake an annual City Plan assurance process, to ensure the Plan and the Indicative Timeline remain fit for purpose to express the council's and city's strategic direction and intentions.
- 15.3 The updated City Plan 2023-2035 and Indicative Timeline at Appendix K set out for Cabinet's consideration the proposals to ensure the plan continues to fulfil its role as the primary statement of the Council's key priorities, and therefore the framework for the allocation of its resources.

## **16 Crime and Disorder**

- 16.1 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.

## **17 Suggested Reason for Decision**

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

## **18 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 2023/2024 - 2026/2027](#)  
(13 October 2022 Cabinet)

[Budget Planning Framework and Medium Term Financial Plan 2023/2024 - 2026/2027](#)  
(8 December 2022 Cabinet)

[Revenue Budget 2023/2024 to 2026/2027 – Update and Provisional Local Government Finance Settlement 2023/2024](#)  
(19 January 2023 Cabinet)

## **List of Appendices**

Appendix A – Budget Savings Proposals  
Appendix B – Equality and Budget Proposals  
Appendix C – Budget Consultation 2023/2024 Results  
Appendix D – Formal Budget Consultation Meetings  
Appendix E – Scrutiny Co-ordinating Committee Consultation on the Budget 2023/2024  
Appendix F – Proposed Council Tax for 2023/2024  
Appendix G – Medium Term Financial Plan (MTFP) 2023/2024 – 2026/2027  
Appendix Gi) – Efficiency Strategy  
Appendix Gii) – MTFP 2023/2024 to 2026/2027 Risk Assessment  
Appendix H – General Balances – Financial Risk Analysis  
Appendix I – Earmarked Reserves – Position Statement  
Appendix J – Revenue Budget 2023/2024  
Appendix K – City Plan Update 2023-2035 (copy to follow)

## Budget Savings Proposals

### 1. Leader Proposals – Total Saving £0.067m (2023/2024) and £0.014m (2025/2026)

#### 1.1 L1 - Policy & Partnerships (Saving £0.024m in 2023/2024)

Reduced subscription to support bodies and networks.

#### 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 - Corporate Affairs & Communications (Saving £0.043m in 2023/2024 and £0.014m in 2025/2026)

Reduce frequency of resident printed newsletter Your Sunderland to x3 times and following expiry of the current contract for the delivery of the resident survey in 2024, consider moving to a biannual survey.

#### 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. Deputy Leader and Clean Green City Proposals – Total Saving £0.238m (2023/2024), £0.313m (2024/2025) and £0.222m (2026/2027)

### 2.1 DL1 – Economic Regeneration (Saving £0.221m in 2023/2024)

Review of team staffing arrangements and deletion of vacant posts.

#### 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 relate to the deletion of 5 vacant posts, none of which provide any direct or indirect services to any protected characteristic groups.	

### 2.2 DL2 – Economic Regeneration (Saving £0.012m in 2023/2024)

Reduced Staffing Costs in Business Centres.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The 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 will be generated via joint working across the Business Investment Team and Business Centres Team which will enable existing business centre services to continue as needed therefore no equality analysis is required.	

## 2.3 DL3 – Economic Regeneration (Saving £0.005m in 2023/2024)

Reduction in foreign travel costs.

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The 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: Foreign travel was not carried out during the pandemic and new working arrangements are being developed on an ongoing basis following the lifting of restrictions. A reduction in foreign travel expenditure is planned within this context. No equality analysis is required as there is no degradation to service or impact on any of the protected characteristic groups.	

## 2.4 DL4 – Environmental Services Fleet (Saving £0.313m in 2024/2025 and £0.222m in 2026/2027)

Savings in vehicle and equipment lease charges following purchases via the capital programme.

### 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 saving is related to how we finance the fleet used by internal council services. It does not have any direct impact on any residents. The proposal is related to moving from leasing vehicles to direct purchase. In doing so the vehicles will be purchased via the capital programme and financed that way thus reducing the revenue budget which is used to pay for lease vehicles.	

3. **Cabinet Secretary Proposals – Total Saving £2.300m in 2023/2024, reducing by £0.188m in 2024/2025 and reducing by a further £0.100m in 2025/2026**
- 3.1 **CS1 - Finance, Revenues and Benefits (Saving £0.457m in 2023/2024, reducing by £0.200m in 2024/25 and reducing by a further £0.100m in 2025/26)**

Housing benefit - overpayment recovery and deletion of vacant posts.

### 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 result from the realignment of budgets to reflect actual income currently being received i.e. there is no change in policy or approach.  The posts have been vacant during the current financial year and level of service to the public has been maintained. Therefore no negative equality impacts are anticipated on either service delivery or staff going forward.	

### 3.2 CS2 - Finance, Revenues and Benefits (Saving £0.050m in 2023/2024)

Revenues - Reduction in costs of cash collection 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 savings result from the realignment of budgets to reflect actual expenditure currently being incurred i.e. there is no change in policy or approach.	

### 3.3 CS3 - Finance, Revenues and Benefits (Saving £0.264m in 2023/2024)

Corporate Management - Deletion of vacant posts and reduction in historic pensions budget.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The 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 result from the realignment of budgets to reflect actual expenditure currently being incurred i.e. there is no change in policy or approach.  The post has been vacant during the current financial year and level of service to the public has been maintained. Therefore no negative equality impacts are anticipated on either service delivery or staff going forward.	

### 3.4 CS4 - Finance, Revenues and Benefits (Saving £0.040m in 2023/2024)

Finance - Increase in income for finance service 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: Additional income from programme management fees received in respect of external grant programmes and additional income from finance services provided.	



### 3.5 CS5 - Audit, Risk, Procurement and Insurance (Saving £0.167m in 2023/2024)

Insurances - Deletion of vacant post within Insurance team, increased external charging and reduction in insurance fund provision.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The 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 post has been vacant throughout the current financial year and level of service to the public has been maintained. Therefore no negative equality impacts are anticipated on either service delivery or staff going forward.  The other two financial elements have no equality impacts.	

### 3.6 CS6 - Audit, Risk, Procurement and Insurance (Saving £0.010m in 2023/2024)

Procurement - Reduction in invoice scanning contract costs.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The 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:	

### 3.7 CS7 - Audit, Risk, Procurement and Insurance (Saving £0.022m in 2023/2024)

Audit, Risk and Assurance - Review of audit, risk and assurance team staffing 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:  Savings are arising from the grades of two vacant posts being revised. Levels of service have been maintained and therefore no negative equality impacts are anticipated.	

### 3.8 CS8 - Property Services including catering and cleaning (Saving £0.129m in 2023/2024)

Review of Catering and Cleaning provision and staffing 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:  Due to a reduction in school cleaning contract, there is a reduction in management team from three to two posts. Further savings are made through the cessation of a commercial catering function. There are no equality impacts.	

### 3.9 CS9 - Property Services including catering and cleaning (Saving £0.150m in 2023/2024)

Reduction in repairs and renewals budget.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The 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:  A review of working practices and maintenance decisions have supported delivery of a more efficient service, reducing time spent on site and a reduction in reactive work.  This planned approach will not impact work carried out with no reduction in customer requirements to maintain facilities to the required standard.	

### 3.10 CS10 - Property Services including catering and cleaning (Saving £0.015m in 2023/2024)

Civic Buildings - New or increased charges to property users.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The 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 to increase charges to the occupiers of Council owned buildings at Bunnyhill and the Millennium Centre.  Bunnyhill is a Council owned Multi-Use asset that includes a nursery and community hub. Both were previously operated by SNCBC on the terms of a Community Lease	

(i.e. at a peppercorn rent and subject to delivering certain Community Obligations). SNCBC have however now vacated and Community Hub and therefore only occupy the nursery. The proposal is therefore to charge the occupier a commercial rent for the retained nursery space in line with other privately operated nurseries in Council buildings.

The Millennium Centre is a Council owned Community Hub leased to Washington Millennium Trust Ltd. Under the terms of the Lease the Tenant is responsible for certain costs (insurance, utilities etc) that the Council is currently contributing too. The proposal is to recover the full costs available under the terms of the Lease. The proposal will result in an increased financial pressure on the Tenant but will bring the property in line with other Council owned Community Buildings.

### 3.11 CS11 - Property Services including catering and cleaning (Saving £0.050m in 2023/2024)

Asset Management - New or increased charges to service users.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The 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:  Increased income from additional external work.	

### 3.12 CS12 - ICT (Saving £0.339m in 2023/2024)

Review of ICT staffing structure, cessation of support contracts no longer required and reductions in consultancy costs and fibre contract costs.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	✓
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The 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:  Staffing changes and post deletions are as a result of succession planning and old technologies being retired. There is no anticipated equality impact on service delivery or staff.	

### 3.13 CS13 – Legal Services (Saving £0.120m in 2023/2024)

Introduce charging to capital projects where appropriate for legal advice.

#### 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 service will endeavour to meet the target by charging time spent by relevant Legal staff to capital projects. That will be an in-house arrangement and therefore it is not considered that an equality analysis is required at present.	

### 3.14 CS14 – Corporate Support Service (Saving £0.192m in 2023/2024)

Review of Corporate Support Service staffing arrangements through the removal of vacant posts and operating model efficiencies.

#### 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 posts have been vacant during the current financial year and the level of service to the public has been maintained. Therefore no negative equality impacts are anticipated on either service delivery or staff going forward.	

### 3.15 CS15 – Customer Services Network (Saving £0.162m in 2023/2024)

Review of Customer Services Network team staffing arrangements and supplies and services budget reduction.

#### 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 posts have been vacant during the current financial year and level of service to the public has been maintained. Therefore, no negative equality impacts are anticipated on either service delivery or staff going forward.	

### 3.16 CS16 – Members Support (Saving £0.030m in 2023/2024)

Realignment of member support budget in line with current expenditure levels.

#### 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:	

### 3.17 CS17 – Strategic and Operational HR (Saving £0.067m in 2023/2024)

Further savings associated with functions transitioning following the Thinking Operating Model review.

#### 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:  These posts have either been vacant during the current financial year or further vacancies are anticipated in 2023/24. To date, level of service to the public have been maintained and this is expected to continue, therefore no negative equality impacts are anticipated on either service delivery or staff going forward.	

### 3.18 CS18 – Registration Services (Saving £0.036m in 2023/2024)

Maximisation of income from Registration 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: Options to create further income are continually considered and explored and that will continue in the forthcoming financial year. As many appointments as staffing levels allow will continue to be offered.	



### 3.19 CS19 – Electoral Services (Saving £0.012m in 2024/2025)

Removal of vacant 0.5 FTE post from electoral services team.

#### 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 post has been vacant throughout the current financial year and level of service to the public has been maintained. Therefore no negative equality impacts are anticipated on either service delivery or staff going forward.	

#### 4. Children Learning and Skills – Total Saving £5.515m (2023/2024)

##### 4.1 CLS1 – Education Pensions (Saving £0.150m in 2023/2024)

Reduction in historic pensions costs

##### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The 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 result from the realignment of budgets to reflect actual expenditure currently being incurred i.e. there is no change in policy or approach.	

##### 4.2 CLS2 – Together for Children (Saving £5.365m in 2023/2024)

Planned TfC budget savings/efficiencies - 2023/24:

- Cared for Children reviews including making best use of local capacity
- Establishment Efficiencies
- Non-staff efficiencies
- Income generation
- Service Transformation with a view to optimising prevention and best use of local capacity

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 full equalities assessment](#)

## 5. Dynamic City – Total Saving £3.035m (2023/2024) and -£2.000m (2026/2027)

### 5.1 DC1 – Housing Options Team (Saving £0.140m in 2023/2024)

- i) Realignment of budget (c.£60,000)
- ii) Potential saving – Homelessness Prevention Grant (c.£80,000)

#### 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:  i) To realign budget for Housing Options Manager to Vulnerable Groups Team; budget will be funded using Government grants. ii) Homelessness Prevention Grant consultation is being undertaken by Government. This is considering options on the assessment and determination of grant in the future and could potentially provide additional monies over and above the known existing grant position, of which £80,000 could be made available as savings to current budget. In terms of Equality Impact Assessment, a comprehensive assessment as part of the Housing and Homelessness Strategy is being undertaken, which will incorporate how the council will mitigate impacts for residents presenting as homeless.	

## 5.2 DC2 – Regulatory Services (Saving £0.080m in 2023/2024)

Increased fee income generated from Building Control and Development Control 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: The efficiency saving will be achieved by a) applying a modest increase to planning and building control application fees which will in turn lead to increased income, b) better targeting of clients to increase the share of income generated via them. The Building Control Service is in competition with the private sector and is subject to market forces therefore clients have the option to go to other service providers if they so desire. It is felt that there will be no disproportionate impact on the protected characteristic groups.	

## 5.3 DC3 – Regulatory Services (Saving £0.050m in 2023/2024)

Review of Regulatory services team staffing 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: Subsequent to the transfer of services from the former Neighbourhoods Directorate to the City Development Directorate culminating in the creation of a new Regulatory Services division, a further review will be undertaken which will generate efficiencies. The efficiencies will have no impact on service delivery as greater integration within the service will allow existing service levels to be maintained.	

#### 5.4 DC4 – Siglion Distribution (Saving £2.000m in 2023/2024) and (-£2.000m in 2026/2027)

Temporary increased distribution from Siglion.

##### 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: An increased distribution of £2m per annum is to be received from Siglion LLP during 2022/23, 2023/24 and 2024/25.	

#### 5.5 DC5 – Street Lighting (Saving £0.500m in 2023/2024)

Increased ongoing utilisation of the Street Lighting Smoothing reserve.

##### 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 is from the existing street lighting PFI smoothing reserve, and its utilisation has no impact on the provision of street lighting.	

## 5.6 DC6 – Regeneration Properties (Saving £0.265m in 2023/2024)

Review of regeneration property portfolio 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 Council will acquire and dispose of some properties in line with its Property Strategy which will generate additional income and a reduction in costs. None of the tenants in the buildings to be acquired / disposed of provide a public service therefore no Equality Analysis is required.	

## 6. Healthy City – Total Saving £2.056m (2023/2024) and £0.054m (2024/2025)

### 6.1 HC1 – Public Health Joint Commissioning (Saving £0.015m in 2023/2024)

Increased Public Health Grant investment - increased focus on health in all policies.

#### 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: Utilisation of available Public Health funding to free up council resources – no detrimental impact on service delivery.	

### 6.2 HC2 – Intermediate Care (SCAS) (Saving £0.100m in 2023/2024 and saving £0.050m in 2024/2025)

Reduction in LA therapy support to Farmborough Court and rededicate therapy team to delivering rehabilitation to people in their own home.

#### 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 anticipated cost will be met by Health.	

### 6.3 HC4 – Community equipment Store (Saving £0.033m in 2023/2024 and saving £0.016m in 2024/2025)

Joint review of community equipment with partners to reduce the catalogue list for prescribers.

#### 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 review of the catalogue list will ensure that equipment being purchased and stored are only those that are in active use and we are making best use of resources.	

### 6.4 HC6 – Adult Social Care - Residential (Saving £0.347m in 2023/2024)

Using intervention measures to reduce the number of admissions to permanent care by 1%.

#### 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 full equalities assessment](#)



## 6.5 HC7 – Adult Social Care (Saving £0.215m in 2024/2025)

Review essential car user payments to all adult social care 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:	

[Link to full equalities assessment](#)

## 6.6 HC8 – Adult Social Care (Saving £0.200m in 2023/2024)

Increase contribution income through annual inflationary uplift on NHS contracts (CPI).

### 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:	

## 6.7 HC9 – Adult Social Care (Saving £0.333m in 2023/2024 and saving £0.167m in 2024/2025)

Alongside ICB review approach to commissioning arrangements for Continuing Health Care.

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The 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:	

## 6.8 HC10 – Adult Social Care (Saving £0.500m in 2023/2024, reducing by £0.500m in 2024/2025)

Review of Adult Social Care Reserves (one off).

### 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:	

## 6.9 HC11 – Adult Social Care (Saving £0.400m in 2023/2024)

Average recovery of Direct Payment surplus per annum.

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The 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 recovery is of funds not used during defined period – there is no amendment or reduction to packages of care.	

## 6.10 HC12 – Home Improvement Agency (SCAS) (Saving £0.128m in 2023/2024 and £0.064m in 2024/2025)

Cease paying for annual maintenance of Fixed Mechanical Equipment (FME) when manufacturer's guarantee runs out.

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The 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:	

## 6.11 HC13 – Sunderland Safeguarding Adults Board (SSAB) (Saving £0.042m in 2024/2025)

Review of Sunderland Safeguarding Adults Board 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:	

## 7. Vibrant City – Total Saving £0.167m (2023/2024)

### 7.1 VC1 – Community Sport and Physical Activity (Saving £0.052m in 2023/2024)

Review of service area budget and increased investment from Public Health grant funding.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The 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:	

### 7.2 VC2 – Sport and Leisure Facilities (Saving £0.090m in 2023/2024)

Review of service provision and budgets within Sport and Leisure including increased investment from Public Health grant funding.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The 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 VC3 – Tourism (Saving £0.025m in 2023/2024)

Reduced extent and / or frequency of publications, signage, etc.

#### 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:	

## **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
  - 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 and resident engagement are carried out to inform key plans and activity in the Council at both a service and general budget consultation level. Where possible, demographic data is collected and analysed to understand the spread of respondents and help inform equality considerations. Communications and consultations are focussed on a range of groups and communities to maximise involvement.

## **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 three of the proposals required an equality analysis to be carried out, these are:
- HC6 – Adult Social Care Residential
  - HC7 – Adult Social Care
  - CLS2 – Together for Children
- 4.3 Of the three proposals highlighted above, one concluded that there would be a neutral impact (i.e. no disproportionate impact on any of the protected characteristics); a second identified potential negative impacts for disabled people; the final proposal detailed above identified positive impacts in relation to age, disability, sex and pregnancy/maternity, while also recognising potential negative impacts on age. Twelve proposals identified savings as a result of staffing changes; equality considerations have been included in the templates provided and will be considered further as part of the workforce planning arrangements.
- 4.4 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 2023/2024 Results

#### 1. Background and Context

- 1.1 This year's consultation process utilised existing networks such as 'Let's Talk', Warm Spaces venues and social media to communicate with both geographic communities and communities of interest. In addition to residents, there were communications with a range of partners and stakeholders. The consultation was open for one month between the 8<sup>th</sup> December 2022 and 8<sup>th</sup> January 2023.
- 1.2 The engagement process focused on people's views on planned proposals to meet the £30m funding gap after an assumed increase in council tax of 2.99% and before any planned use of reserves. The proposals included:
  - Cost savings at that time totalling £3.7 million through a range of measures including reshaping how we deliver our social care services and reviewing how we deliver and staff our support services;
  - Additional income raising £4.3 million through a range of measures;
  - And using £9 million of council reserves.
- 1.3 Questions focused on whether the public agreed with the overall approach to savings proposals and whether they could provide any alternative savings suggestions which would address the £30m funding gap. Views on the proposed council tax increase were also sought, including utilising the higher council tax referendum limit set by the Government.
- 1.4 Budget plans included an assumed council tax increase of 2.99%. In their Autumn Statement, the Government increased the referendum limit. This was a limit to the amount councils could increase council tax without a local referendum. There was an expectation that local authorities would increase council tax by 5% (including 2% for the social care precept) in the absence of sufficient additional funding from the Government. The referendum limit was previously 2.99% (including 1% for the social care precept).
- 1.5 A 4.99% increase would mean a household living in a Band A property would pay £1.02 more per week whilst a household living in a Band D property would be paying £1.53 more per week. Even taking into account this increase, Sunderland would remain the lowest council tax rate for Band D in the Northeast. This further 2% increase (1% for council tax and 1% for adult social care) would generate an additional £2.3 million.  
  
[Our proposed approach can be read in detail in the Budget Planning Framework and Medium-Term Financial Plan.](#)
- 1.6 Response levels were higher than last year with 169 consultation responses received, compared to 126 previously.
- 1.7 In addition, briefings to the following stakeholders were given:
  - Northeast Chamber of Commerce, representatives of business ratepayers and Sunderland Business Improvement District;
  - Trades Unions; and

- Schools' Forum.

1.8 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.

## 2. Results

2.1 In response to whether residents agreed with the proposed approach to meet the budget gap, the chart below displays the 162 responses received to this question (7 replies did not include an answer to this question).

### 1. Do you agree or disagree with this approach?

[More Details](#)

Strongly agree	9
Agree	50
Neither agree nor disagree	46
Disagree	28
Strongly disagree	29



2.2 The consultation responses received were evenly split between those who agreed with the proposed approach, those who disagreed and those who neither agreed nor disagreed.

2.3 Although there was not a strong majority either way on the proposals as set out, 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 decisions that the Council faced, and that ideally no further reductions would be required.

2.4 95 people provided qualitative suggestions as part of their consultation response. From the extensive range of suggestions received some common themes have been grouped in order of prevalence as shown below:

- Proposals for reducing costs and improving efficiency;
- Greater use of volunteers / community groups and buildings to deliver services;
- A number of responders would prefer a more basic service to be provided or a small charge to be implemented for services; and
- Costs reductions associated with councillors and committees.

2.5 Residents were asked whether they agreed or disagreed with the Council utilising the additional 2% council tax raising powers over the previous 2.99% assumed increase. The chart below displays the 167 responses received to this question (2 replies did not include an answer to this question).

3. **Do you agree or disagree with the council utilising the additional 2% council tax raising powers over the previous 2.99%?**

[More Details](#)

Strongly agree	23
Agree	28
Neither agree nor disagree	25
Disagree	32
Strongly disagree	59



- 2.6 The responses received to this question indicated that the public were not supportive of a council tax rise which exceeded the assumed 2.99% increase.  
54% of responses either disagreed or strongly disagreed with a rise in excess of 2.99% whilst 31% agreed with an increase in excess of 2.99% and 15% neither agreed nor disagreed.
- 2.7 This information has been considered by Cabinet's in considering their proposals for the 2023/2024 budget.

**Formal Budget Consultation Meeting held on Thursday 22<sup>nd</sup> December 2023 at 11.00am with Trades Unions**

**Council Representatives**

Cllr Graeme Miller	-	Leader of the Council
Paul Wilson	-	Director of Finance
Paul Dixon	-	Chief Accountant

**Trade Union Representatives**

Diane Peacock	-	Unison
Lisa Foot	-	Unison
Conor McArdle	-	Unison
Graham Avery	-	GMB
Kier Howe	-	GMB
Dave Telford	-	Unite

**Apologies**

Patrick Melia	-	Chief Executive
Cllr Claire Rowntree	-	Deputy Leader of the Council
Cllr Paul Stewart	-	Cabinet Secretary
Gillian Hunter	-	Senior HR Business Partner
David Riddle	-	GMB
John Kelly	-	Unite

Representatives from the Trade Unions joined a meeting where Paul Wilson (PW) gave a presentation on the Council's budget proposals for 2023/2024 and the latest position on the Medium Term Financial Plan.

After the presentation PW confirmed that a further budget update report would be presented to January's Cabinet and then the final budget proposals will be considered by Cabinet in February. The budget will then go to full Council for discussion, consideration and approval at its meeting on 22<sup>nd</sup> February 2023.

PW noted that the employee implications around the budget reduction proposals, were relatively minor. There may be a small number of positions where we are seeking voluntary redundancies but a number of savings involving staff will be achieved through the deletion of vacant posts. These proposals will go through the usual consultation processes where necessary.

He then invited questions and discussion from the group:-

1. Dave Telford (DT) thanked PW for the presentation and said it is encouraging that he was indicating minimal potential disruption.
2. Diane Peacock (DP) said this budget would be good news to their members as staffing is already to a minimum and they just wouldn't know where to start with further cuts.

3. Cllr Graeme Miller (GM) added in the four years that he has been Leader of the Council the Labour Group has strongly stressed, through the budget, the value of the Council's staff. Sometimes it may be unavoidable that there is a very small number of redundancies.

Whilst the Council is financially sound, we have a £21m gap and we have to make that up in a variety of ways which include Business Rates growth and Council Tax increases.

We are also trying to support residents who have the least financially and that is why our financial planning is currently based on a council tax rise of 3% and not 5%.

4. Lisa Foot (LF) asked if Business Rates would change to try and attract bigger businesses to the city. PW replied that there are two elements to this one being the long promised review and reform of business rates by the Government on which no timescale is in place and the other relates to increasing the businesses within the city which will lead to more business rates. GM explained the transformation that is happening in the city at the moment including the new railway station, the eye hospital, housing, the seafront and The Stables, all of these will attract more people into the City Centre and help to boost our economy.
5. Conor McArdle (CM) asked for clarification of the budget saving proposed under the heading of reduction of historic pension costs. PW said this was just realigning the budget to what we actually pay and this has no impact on colleagues' pensions. The actuarial review for 2023/2024 is now concluded and the fund is in a strong position across Tyne and Wear. CM replied he is pleased the budget isn't as bad as we were expecting and the Council are doing really well in terms of its regeneration which is really positive to see.
6. LF mentioned the Government increasing the minimum wage, would that affect the Council with us being a Living Wage employer? PW responded by noting that it doesn't affect us as a Council as we pay all of our staff at least the real living wage. It may impact on the costs of our external contracts as these are renewed or procured as we want our contractors and providers to pay the real living wage to their employees.

The meeting ended and PW thanked the participants for their attendance.

## **Formal Budget Consultation Meeting held on 5<sup>th</sup> January 2023 with Sunderland BID and North East England Chamber of Commerce**

### **Council Representatives**

Cllr Graeme Miller	-	Leader of the Council
Patrick Melia	-	Chief Executive
Paul Wilson	-	Director of Finance
Paul Dixon	-	Chief Accountant

### **Business Representatives**

Rachel Anderson	-	NEE Chamber of Commerce
Tom Lonsdale	-	NEE Chamber of Commerce
Sharon Appleby	-	Sunderland BID
Brian Logan	-	Azets Accountants/Director of Sunderland BID

### **Apologies**

Cllr Claire Rowntree	-	Deputy Leader of the Council
Cllr Paul Stewart	-	Cabinet Secretary

Representatives from the North East England Chamber of Commerce and Sunderland BID attended a meeting where Paul Wilson (PW) gave a presentation on the Council's Revenue budget, the 2023 Business Rates revaluation and the Business Rates reliefs for 2023/2024.

PW said we started the budget process back in October 2022 and budget consultations are still ongoing with a range of interested parties and residents. Cabinet will receive an update on the budget proposals for 2023/2024 including the outcome of the local government finance settlement on 19<sup>th</sup> January. Cabinet will receive a further budget report at the beginning of February which will propose the Council Tax and set out the final budget proposals for 2023/2024. Full Council will meet on the 22<sup>nd</sup> February to discuss and consider the final budget proposals and agree the Council Tax and final budget for the coming year.

He invited questions and discussion from the group:-

1. Rachel Anderson (RA) asked about the big spike in Pay pressure in 2023/2024, what does that represent in terms of a percentage increase? PW responded, noting that in 2022/2023 when the budget was set only a 3% increase in pay was budgeted for at that time. The actual pay award that was agreed by National Employers equated to approximately 7% so effectively we were 4% short in the current year budget. The 4% shortfall has needed to be caught up in 2023/2024 contributing to the large increase. In addition, at that time for planning purposes an additional 4.5% increase was assumed in 2023/2024. RA asked if this pay increase was agreed across the whole country or was it just Sunderland Council that agreed this. PW confirmed that those councils who are part of National Employers, which will be the vast majority of councils (including

Sunderland), negotiate pay settlements as one group with the trades unions. In 2024/25 and beyond the assumption for pay awards reduces to 2%.

2. RA noted the consistent flat level on Social Care demand budget pressure in the medium term planning and enquired as to the rationale behind this. Cllr Graeme Miller (GM) answered that it is an estimate. The estimate is refined over time and reflects that the demand for social care is increasing given the pressures in the system.
3. RA asked about the increase in capital finance debt charges? PW said this reflects the required revenue charge required for the capital investment funded by the Council.
4. Sharon Appleby (SA) informed the group that the impact of the Business Rates Revaluation would mean they could see a £130,000 loss in income, that is 23% of the BID's income from 2024/2025. That is a significant amount, and they are looking at different ways of how they can fill the gap.
5. RA said Devolution probably won't impact until the following year but did PW see any costs arising from the Devolution Deal. GM responded that at the moment this deal is in principle only, it hasn't been legally agreed and it will have to be taken through each Local Authority's governance processes. The Deal will also go to public consultation and following which we have to send confirmation back to the Minister to proceed. There should be no cost to Local Authorities with the Deal enabling access to more funding from the Government and the potential alongside private sector leverage to be c. £10bn over 30 years.
6. RA asked what would be Sunderland's approach to a strategy underneath the Mayor in terms of a Development Corporation? Patrick Melia (PM) said that would depend on a range of factors. At this point in time this is not currently envisaged - the governance scheme within the Deal doesn't allow the Mayor to impose a Development Corporation on Sunderland without the approval of the Council. Clearly, If we thought it was a good thing for the Mayoral combined authority to create a Development Company that had a positive impact on Sunderland and grew jobs in Sunderland then we would consider that at that time. PM added that we will have to make sure we use all of the funds to support the plans we have, to complement our infrastructure, it can help to extend the Metro system, it can help with education and skills within the City to help people access jobs. This funding will really help what we need to do in the City for our residents.
7. RA queried the Events budget, with the Coronation happening next year? PW said there was no change proposed around the level of resources in terms of delivering events. SA said there are some interesting events going on Citywide including Smart Cities and bringing together the Health, Business and Vibrant elements which the BID are supporting.

8. RA asked about Capital budget plans. PW said we already have a significant Capital Programme that is already in place. Additional schemes for 2023/2024 total c. £40m and predominantly relate to the maintenance of buildings, our quay infrastructure and highways, bridges etc.
9. GM thanked everyone for coming and said if any further queries, please don't hesitate to contact PW.



## Scrutiny Coordinating Committee Consultation on the Budget 2023/2024

### Comments of Scrutiny Coordinating Committee

1. On 13<sup>th</sup> October 2022, Scrutiny Coordinating Committee considered the Budget Planning Framework and Medium Term Financial Plan 2023/2024– 2026/2027 report which was referred from the October Cabinet meeting.

Scrutiny Coordinating Committee commented as follows:

“The Scrutiny Coordinating Committee acknowledged the information contained in the report including the budget planning framework and updated capital strategy. The Committee also recognised the importance of budget consultation with key stakeholders and increased engagement with the public.”

As in previous years there remained a number of uncertainties, pressures and challenges around the budget that the Committee will continue to monitor through future budget report.

The Committee had no further comment at this time.”

2. On 8<sup>th</sup> December 2022, Scrutiny Coordinating Committee considered the Budget Planning Framework and Medium Term Financial Plan 2023/2024– 2026/2027 report which was referred from the December Cabinet meeting.

Scrutiny Coordinating Committee commented as follows:

“The Scrutiny Coordinating Committee acknowledges the information contained in the detailed report as well as noting a number of uncertainties that remain around funding and the local government settlement which would be resolved in due course.

The Committee would also recommend that serious consideration is given to limiting any rises in council tax given the current financial climate and the impact this will have on residents of the City and the services they need to access.

The Committee would also recommend that consideration is given to the way we communicate with residents in the future and if a printed newsletter is needed.

The Scrutiny Coordinating Committee would also like to acknowledge the hard work of officers and members in the preparation of the budget and the medium-term financial plan.

The Committee will continue to monitor the budget through these reports and has no further comment to make at this time.”

**Proposed Council Tax for 2023/2024**

As detailed in the Council Report - Determination of Council Tax 2023/2024

**Medium Term Financial Plan (MTFP) 2023/2024 – 2026/2027**

**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 estimates, 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 provisional local government finance settlement data for 2023/2024 released by the Government, there is considerable uncertainty over the impact of future local government settlements, Fair Funding Review and any changes to the business rates retention system 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) voted to raise the Base Rate for a ninth consecutive meeting on 15<sup>th</sup> December 2022, taking it to 3.5%, the highest level since November 2008. This reflects their commitment to combat inflationary pressures, even at the risk of hampering growth, to ensure headline CPI inflation drops back to its 2% target over a three-year timeframe.
- 2.2 GDP fell by 0.3% quarter on quarter ending 30<sup>th</sup> September, which probably marked the start of the UK recession. Protracted and escalating strike action is expected to see the economy contract marginally in the final quarter of 2022 and the BoE's new forecasts predict a deeper and longer recession than market analysts were expecting, of eight quarters and with a peak-to-trough fall in real GDP of 2.9%.
- 2.3 CPI inflation looks to have peaked at 11.1% in October, a 41-year high, before falling to 10.5% in December 2022. Goods price inflation, which is largely driven by global factors, has peaked and the sharp rises in energy prices in 2022 mean that energy price inflation will fall sharply in 2023. Despite the cost-of-living squeeze, the BoE will want to see evidence that wage growth isn't spiralling upwards if extensive strike action is successful in achieving large pay increases.
- 2.4 The Government's medium to longer term approach to addressing its financial position is still being developed 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 Government's March 2023 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 2023/2024, this measure includes:

- Settlement Funding Assessment (SFA) comprising:
  - Revenue Support Grant (RSG);
  - Baseline Funding (Top Up Grant); and
  - Assumed Retained Business Rates.
- Compensation for the under-indexing of the Business Rates Multiplier;
- Council Tax Income, which the Government assumes a 4.99% increase is applied in addition to additional income from growth in the council tax base;
- Local Government element of the Improved Better Care Fund;
- New Homes Bonus;
- Social Care Grant;
- ASC Market Sustainability and Improvement Fund;
- ASC Discharge Fund; and
- Services Grant.

3.2 In December 2023, as part of the Provisional Local Government Finance Settlement 2023/2024, the Government provided details of their assumptions on CSP for 2023/2024.

	2022/23 £m	2023/24 £m	change £m	change %
Settlement Funding Assessment	114.844	121.554	6.710	5.84%
Compensation for under-indexing Business Rates Multiplier (Section 31 Grant)	8.776	15.174	6.398	72.90%
Council Tax Requirement excluding parish precepts	114.706	121.365	6.659	5.81%
Improved Better Care Fund	18.684	18.684	0.000	0.00%
New Homes Bonus	1.842	1.183	-0.659	-35.78%
Social Care Grant	18.586	29.337	10.751	57.84%
Market Sustainability and Fair Cost of Care Fund	1.058	0.000	-1.058	-100.00%
Market Sustainability and Improvement Grant	0.000	3.671	3.671	100.00%
ASC Discharge Grant	0.000	2.619	2.619	100.00%
Lower Tier Services Grant	0.525	0.000	-0.525	-100.00%
Services Grant	5.920	3.336	-2.584	-43.65%
Grants rolled in	1.373	0.000	-1.373	-100.00%
<b>Sunderland Total Core Spending Power</b>	<b>286.314</b>	<b>316.923</b>	<b>30.609</b>	<b>10.69%</b>
<i>Memorandum National Position</i>				9.17%

3.3 CSP will increase by an average 9.17% nationally in 2023/2024. For Sunderland the increase is 10.69% (based upon a Government assumed council tax increase of 4.99%) as shown in the table above. As noted, nationally 38% of this increased spending power is assumed from Council Tax rises. Given Sunderland's relatively lower Council Tax base this proportion is much lower, at 21.8%.

3.4 For Sunderland there is a 5.84% increase in SFA for 2023/2024. The relatively low percentage increase is as a result of the continued business rates multiplier freeze for 2023/2024 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 business rates taken in to account in the revenue budget is dependent on the Council's own position which will be confirmed within the

National Non-Domestic Rates ('NNDR') statistical collection Form 1 (budget forecast). The increase in Revenue Support Grant is in line with inflation and is further increased as the previously separate grants for Family Annex Council Tax Discount Grant, Local Council Tax Support Administration Subsidy Grant and Food Safety Enforcement Grant have been merged in to RSG from 2023/2024.

## **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. As regeneration activity accelerates in line with the City Plan, the growth projections will be kept under review.**

### **3.6 Risk arising from Appeals**

#### **3.6.1 The outcome of valuation appeals continue to be a risk. 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.**

#### **3.6.2 The Government will only fund losses on business rates collection through the safety net mechanism after a certain level of loss has been incurred. Based on our assumptions on business rates income collection, business rates collected would have to fall by £15m before the threshold is triggered and the Council receives any safety net funding from the Government.**

### **3.7 Top Up Grant / Tariff**

#### **3.7.1 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 £47.190m in 2023/2024. Top Up grant is generally increased annually by inflation.**

#### **3.7.2 The Government has previously 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 financial sustainability.**

### **3.8 Section 31 Grant - Business Rates**

- 3.8.1 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. The Government have confirmed an extension to the Retail, Hospitality & Leisure reliefs grant in to 2023/2024 in response to the cost of living crisis impact on these sectors.
- 3.8.2 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**

#### **3.9 Improved Better Care Fund (IBCF)**

- 3.9.1 The Improved Better Care Fund (IBCF) 2023/2024 allocation has been frozen at the 2022/2023 level. This is in line with budget planning forecasts.

#### **3.10 New Homes Bonus Grant**

- 3.10.1 The national quantum of funding available for NHB has been reduced by £264m, to £291m for 2023/2024. The funding removed from this budget area has been utilised by Government to fund increases elsewhere in the provisional settlement. Sunderland's allocation of NHB has reduced from £1.842m in 2022/2023 down to £1.183m in 2023/2024. Given the potential phasing out of this grant implied by the latest settlement and the Government's intention to consult on NHB during 2023/2024, future years' assumed allocations have been prudently removed from budget planning from 2024/2025.

#### **3.11 Social Care Grants**

- 3.11.1 As anticipated, Social Care Grant allocations from prior years have been maintained. In addition to this, a significant proportion of the increased investment into local government announced in the Chancellor's Autumn Statement has been directed towards Social Care, namely;

- Social Care Grant - Repurposing of funding previously earmarked by the Government for Social Care Charging Reforms of £1.346 bn nationally in 2023/2024 and a further £0.612 billion in 2024/2025. The Chancellor announced the postponement of the Social Care reforms plans from October 2023 to October 2025. The earmarked funding to implement a care cost cap and increase the upper capital limit for accessing care, is now being released to allow councils to meet their mounting financial pressures in both adults and children's social care delivery. It is unclear how the reforms, which have been delayed until October 2025, will subsequently be funded.

From this allocation Sunderland will receive additional funding of £9.936m in 2023/2024, budget planning has been updated

accordingly. The previously separate, Independent Living Grant (£815,000) has now been merged into this allocation from 2023/2024.

- ASC Market Sustainability and Improvement Fund – additional national allocation of £0.400bn in 2023/2024 (a further £0.282bn in 2024/2025). The Government expects this new grant funding will “enable Councils to make tangible improvements to adult social care and, in particular, to address discharge delays, social care waiting times, low fee rates, workforce pressures, and to promote technological innovation in the sector”.

From this allocation Sunderland will receive additional funding of £2.613m in 2023/2024, budget planning has been updated accordingly.

- ASC Discharge Fund – New national allocation of £0.3bn in 2023/2024 (a further £0.2bn in 2024/2025) will be distributed to councils to help “ensure those people who need to draw on social care when they are discharged from hospital can leave as soon as possible, freeing up hospital beds for those who most need them”.

From this allocation Sunderland will receive additional funding of £2.619m in 2023/2024 which must be pooled with existing IBCF funding - budget planning has been updated accordingly.

These grants will support the specific rising cost pressures on adults and children’s social care as noted in prior reports, and also in paragraphs 7.1 to 7.2 below. Details of any conditions and additional reporting requirements are awaited.

### 3.12 Lower Tier Services Grant

- 3.12.1 The Lower Tier Services unringfenced grant was introduced in 2021/2022 with £111m allocated to councils with responsibility for services such as homelessness, planning, recycling and refuse collection and leisure services. In 2022/2023 Sunderland’s allocation was £0.525m. This grant has been abolished from 2023/2024 to fund increases elsewhere in the settlement. Budget planning has been updated from 2023/2024 to reflect the loss of this grant.

### 3.13 Services Grant

- 3.13.1 In recognition of the service delivery cost pressures facing councils, a new Services Grant totalling £822m nationally was announced for 2022/2023. This national grant allocation has been significantly reduced in 2023/2024, beyond that assumed in relation to the cost of the abolished national insurance contributions for social care, to fund increases elsewhere in the settlement. Sunderland’s allocation has reduced from £5.920m in 2022/2023 down to £3.336m in 2023/2024 - budget planning has been updated accordingly.

### 3.14 Public Health Grant



3.14.1 At the time of writing, the allocation for the Public Health grant remains outstanding. The 2021 Spending review did indicate Public Health grant funding will be maintained in real terms, indicating an inflationary based increase. The budget planning will be updated as required when the final grant allocation for 2023/2024 is known.

3.14.2 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.

3.14.3 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.

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

3.15.1 Notification of the Housing Benefits and Council Tax Administration grants, comes outside of the settlement. For 2023/2024 the grant allocation is assumed to be unchanged. The position will be kept under review and the MTFP updated as more details emerge.

3.16 Impact of Spending Review, Fair Funding Review and revised system of retained business rates

3.16.1 The outcome of the proposals to change the way local government is funded with changes to the business rates system, full cessation of Revenue Support Grant, and a transfer of any responsibilities which will need to be funded from retained business rates will be critical to the future sustainability for Council services.

3.16.2 The Government has previously 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 but following the changes in Minister and actions to achieving 'Levelling Up' progress is expected in the short to medium term. As and when more details emerge, the MTFP will be updated accordingly.

## **Locally Raised Income**

### **3.17 Council Tax**

3.17.1 In the Settlement, the Government confirmed the referendum threshold from April 2023, being that the core element is subject to a maximum increase of up to 3%. Social Care authorities can levy an additional 2% 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.

3.17.2 The council tax base for 2023/2024 has increased from 2022/2023 primarily due to an anticipated reduced uptake of the Local Council Tax Support Scheme during 2023/2024 and also increases in house building across the City.

### **3.18 Local Council Tax Support Scheme**

3.18.1 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.

### **3.19 Schools Funding**

3.19.1 Cabinet agreed in January to the principles proposed by the Sunderland Schools Forum for the 2023/2024 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 Basic Entitlements set at Primary £3,335.78, Key Stage 3 £4,716.96, Key Stage 4 £5,320.67; and
- Transfer of 0.5% (£1,012,591) to the High Needs Block in recognition of ongoing pressures.

Sunderland is deemed to be at Full NFF as all factors are within the NFF allowable parameters.

## **4 Spending Pressures and Commitments**

4.1 Spending pressures and commitments for 2022/2023 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 increases;
- Demand and cost pressures for both Adults and Children's Social Care; and
- The impact of capital priorities both in terms of debt charges and any associated operational costs.

- 4.3 The continued pressure on both Adults and Children's Social Care budgets will be kept under review throughout the MTFP period and further additional provision included where necessary.
- 4.4 In addition, as part of the Autumn Statement 2022 the Chancellor announced the postponement of the Social Care reforms plans from October 2023 to October 2025. The earmarked funding to implement a care cost cap and increase the upper capital limit for accessing care, is now being released to allow councils to meet their mounting financial pressures in both adults and children's social care delivery. It is unclear how the reforms, which have been delayed until October 2025, will subsequently be funded.
- 4.5 The cost pressures and commitments across the MTFP period are summarised below:

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
<b>Spending Pressures and Commitments</b>					
Pay	14.652	3.938	4.060	4.170	<b>26.820</b>
Energy	5.566	0.500	0.500	0.500	<b>7.066</b>
Other Price and Contract Inflation (inc.Social Care)	18.338	8.020	8.711	6.465	<b>41.534</b>
Social Care Demand Pressures	9.084	1.119	1.500	1.500	<b>13.203</b>
Transport Levy	0.711	0.600	0.500	0.500	<b>2.311</b>
Pest Control	0.380	0.000	0.000	0.000	<b>0.380</b>
Free Bin replacements	0.250	0.000	0.000	0.000	<b>0.250</b>
Bulky Waste	0.410	0.000	0.000	0.000	<b>0.410</b>
Other Service Pressures	1.544	0.500	0.000	0.000	<b>2.044</b>
Capital Financing	0.000	5.630	3.000	3.000	<b>11.630</b>
Pensions Actuarial Review	0.000	0.000	0.000	2.000	<b>2.000</b>
<b>Total Spending Pressures and Commitments</b>	<b>50.935</b>	<b>20.307</b>	<b>18.271</b>	<b>18.134</b>	<b>107.648</b>

## 5 Summary Overall Budget Gap 2023/204 to 2026/2027

- 5.1 In relation to the period beyond 2023/2024, at this stage no information has been released by the Government regarding allocations to individual councils. Therefore, for the purposes of preparing an MTFP at this stage, an assumption has been made that when any revised system of 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:

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Government Grant Changes	(23.810)	(10.386)	(0.991)	(1.011)	<b>(36.198)</b>
Total On-going Spending Pressures and Commitments	50.935	20.307	18.271	18.134	<b>107.648</b>
<b>Initial Funding Gap</b>	<b>27.126</b>	<b>9.921</b>	<b>17.280</b>	<b>17.123</b>	<b>71.450</b>

- 5.3 Based on high level assumptions, the on-going funding gap for 2023/2024 to 2026/2027 is in the region of £71.450m. 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 2023/2024 to 2026/2027

- 6.1 As reported to Cabinet in December 2022 and subsequently in January 2023, plans of £13.378m have been developed to seek to address the funding gap in 2023/2024. 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 the current budget planning assumption of 2.99% would generate further resources to support the budget position over the four years to 2025/2026. 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.

These will reduce the overall budget gap to £40.865m for the period to 2026/2027.

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Spending Pressures and Commitments	50.935	20.307	18.271	18.134	107.648
Government Grant Change	(23.810)	(10.386)	(0.991)	(1.011)	(36.198)
Savings Proposals	(13.378)	(0.179)	0.086	1.778	(11.693)
Collection Fund Impact - Council Tax	(4.897)	(4.507)	(4.414)	(4.566)	(18.383)
Collection Fund Impact - NNDR	(5.281)	2.214	(1.427)	(1.446)	(5.940)
<b>Current MTFP Gap</b>	<b>3.570</b>	<b>7.449</b>	<b>11.525</b>	<b>12.890</b>	<b>35.435</b>
Previously Agreed Use of MTFP Smoothing Reserves	(3.570)	0.000	5.430	3.570	5.430
<b>Current MTFP Gap after previous agreed use of reserves</b>	<b>(0.000)</b>	<b>7.449</b>	<b>16.955</b>	<b>16.460</b>	<b>40.865</b>

- 6.3 The Council's approach to delivering the savings requirement is encapsulated in the Efficiency Strategy 2023/2024 to 2026/2027 (attached as Appendix Gi).
- 6.4 Further updates on the Efficiency Strategy will be provided to Cabinet in light of the emerging funding framework and the MTFP 2023/2024 to 2026/2027 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 2023/2024 to 2026/2027 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 2023/2024 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 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2024 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 2023/2024 included a consultation exercise that concluded on the 8<sup>th</sup> January 2023. A summary of the response to the consultation is set out at Appendix C of the main report.
- 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 2023/2024 but as yet has provided no allocations of funding beyond that year. The impact of the Fair Funding Review, and any proposed changes to the retained business rates could all have a significant impact on the future funding level available for services in Sunderland. The financial 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 2024/2025 to 2026/2027 in the region of £40.865m, 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 2026/2027 to be agreed.

## **Efficiency Strategy 2023/2024 to 2026/2027**

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, Autumn Statement 2022, the Fair Funding Review and any changes to the business rates system 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 Efficiency Strategy will therefore be kept under review and the approach updated as required throughout 2023/2024.

### **1 Purpose**

- 1.1 The Efficiency Strategy 2023/2024 to 2026/2027 sets out the overall approach to the delivery of the required savings to address funding issues and spending pressures during the period.

### **2 Objectives of the Efficiency Strategy**

- 2.1 The Efficiency 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 Efficiency 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 £71.450m through to 2026/2027 as follows:

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Government Grant Changes	(23.810)	(10.386)	(0.991)	(1.011)	<b>(36.198)</b>
Total On-going Spending Pressures and Commitments	50.935	20.307	18.271	18.134	<b>107.648</b>
<b>Initial Funding Gap</b>	<b>27.126</b>	<b>9.921</b>	<b>17.280</b>	<b>17.123</b>	<b>71.450</b>

After taking into account assumed increases to council tax, additional ongoing savings or additional funding of £40.865m are estimated to be required over the period to 2026/2027 in order to achieve a balanced position.

- 4.2 The Revenue Budget and Proposed Council Tax for 2023/2024 report to February 2023 Cabinet includes proposals to meet the funding gap for 2023/2024. Section 5 below sets out the approach to develop a full suite of proposals to meet the remaining funding gap through to 2026/2027.
- 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 opportunities.

A transformational review process of corporate services commenced during 2021/2022 and has delivered improved services, efficiencies, and financial savings from 2022/2023. Further reviews will continue during 2023/2024.

#### 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.
- 5.4.3 The regeneration activity delivered to date and the implementation of the Council's Capital Strategy will help grow the business rates base within the city.

- 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, 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, although the latter now looks to be being phased out by Government. The impact of the regeneration activity driven by the City Plan 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, Chapelgarth and Vaux as well as the wider 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 2026/2027, reflecting growth based upon historical experience and known development activity which will impact during the period of the MTFP.
- 5.4.7 The provisional Local Government Finance Settlement for 2023/2024 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 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 full Council in October 2022. This encompasses the aims of the City Plan with an overall ambition that by 2035 Sunderland will be a connected, international city with opportunities for all.

5.5.2 The key themes to achieving our ambition are that by 2035 Sunderland will be a:

- **Dynamic smart city.** This includes a lower carbon city with greater digital connectivity for all; more and better jobs; more people with better qualifications and skills; a stronger city centre with more businesses, housing and cultural opportunities; and more and better housing;
- **Healthy smart city.** This includes reduced health inequalities enabling more people to live healthier longer lives; access to equitable opportunities and life chances; people enjoying independent lives; great transport links with low carbon and active travel opportunities for all; and a cleaner and more attractive city and neighbourhood; and
- **Vibrant smart city.** This includes more resilient people; more people feeling safe in their homes and neighbourhoods; more residents participating in their communities; and more people visiting Sunderland and more residents informing and participating in cultural events, programmes and activities.

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 2035. 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 – We Innovate, We Enable and we are Respectful. 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 2023/2024 to 2026/2027 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 focus on securing capital investment in the city in order to deliver growth and jobs. The Council will 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 monitor and maximise external funding opportunities to support city priorities across a range of key areas encompassing economic development, housing and strategic infrastructure, community support and regeneration, education and skills, low carbon, smart city and digital connectivity, health and well-being, and culture and heritage. These key areas

of activity directly support delivery of the City Plan's three themes: dynamic smart city; healthy smart city; and vibrant smart city.

- 5.6.2 Significant investment has been secured over the last 5-6 years from government and regional funds to support major infrastructure priorities, including Riverside Sunderland, the International Advanced Manufacturing Park, Sunderland Strategic Transport Corridor, the Port of Sunderland Enterprise Zone, and a range of other strategic, housing and digital infrastructure projects.
- 5.6.3 With North East Local Enterprise Partnership and European funding programmes either fully committed or ending in 2023/2024, the Council continues to track and respond to funding opportunities linked to the Government's Levelling Up objectives alongside a wide range of other funding sources.
- 5.6.4 Recent substantial external funding approvals have also been secured for the following regeneration projects, all of which are currently in delivery:
- £25.4m support from the Housing Infrastructure Fund for the South Sunderland Growth Area project.
  - £21.6m Transforming Cities Fund support for the redevelopment of Central Station and other priority transport investments.
  - £25m Future High Streets Fund grant for a city centre transformation programme involving the delivery of Culture House and other key sites.
  - £7m Getting Building Fund grant to support digital and strategic infrastructure in the city centre and riverside areas, and for investment in additional energy infrastructure on the Hillthorn Business Park site in Washington.
  - £15m from the Department for Business, Energy and Industrial Strategy to support the development of a strategic energy grid on the International Advanced Manufacturing Park.
  - £20m Levelling Up Fund (round 1) grant to support the City Centre Housing Ecosystem project, which comprises the construction of the Housing Innovation and Construction Skills Academy, and support for the development of two sustainable housing developments in Riverside Sunderland and Sunnyside.
  - £2.1m from Homes England's Home of 2030 programme to support smart and sustainable housing on the Vaux Neighbourhood site within Riverside Sunderland.
- 5.6.5 A wide range of capital funds have also been secured to support projects which support delivery of the city's low carbon objectives, such as:
- £2.2m from the Public Sector Decarbonisation Scheme to invest in public sector building energy efficiency measures.
  - £5.2m European Regional Development Fund grant to support the Vaux Housing Smart Energy Grid, as well as extensive investment in battery storage, solar PV and electric vehicle charging infrastructure on a range of council sites.
  - £3.9m secured to support energy efficiency improvements in the worst performing, fuel poor housing in the city.

- £2.2m from the Green Heat Network Fund to support feasibility and development of a city centre heat network.

- 5.6.6 In early December 2022, the Council received confirmation from the Government that Sunderland's £15m UK Shared Prosperity Fund Investment Plan had been approved. The £15m programme comprises approximately £12m revenue grant and £3m capital, with delivery of activities to take place from 2022/23 to the end of March 2025. The programme will support a wide range of project activities under 3 main investment priorities: (1) Communities and Place; (2) Supporting Local Business; (3) People and Skills.
- 5.6.7 Following the announcement on 28 December 2022 that the Government and North East local authorities are minded to agree a devolution deal, it is anticipated that additional funding opportunities for capital investment will be unlocked including control of a long-term regional investment fund and a city region sustainable transport settlement. Additional funding will also be identified to support the building of new homes on brownfield land and to drive place-based economic regeneration.
- 5.6.8 The Council and its partners continue to access and explore new opportunities to invest in the city's cultural and heritage offer, while also improving and enhancing access to recreation facilities and natural green spaces across the city. This involves pursuing other sources of funding, such as the National Lottery Heritage Fund, Historic England, National Lottery Community Fund, Arts Council England, Sport England, Football Foundation and other major funders.
- 5.6.9 The Council works closely with Sunderland Culture who were successful in late 2022 in securing a further 3 years of National Portfolio Organisation funding from Arts Council England, ensuring that key cultural venues and cultural programmes continue to be invested in and are further enhanced during the 2023-26 period. The Council will be undertaking important feasibility and design work during the next 1-2 years to redevelop the Sunderland Museum and Winter Gardens. A development grant award of £0.3m from the National Lottery Heritage Fund has recently been secured allowing work to proceed on the preparation of a full design and bid proposal which will be submitted in 2024.
- 5.6.10 The Council continues to secure and manage external funding for projects which directly target support in the most deprived communities or most disadvantaged groups within the city. These include more than 35 local projects funded through Sunderland's £5m Community Led Local Development programme and £1.5m Community Renewal Fund programme, both of which will close in 2022/2023. Additional funds have also been secured to support domestic abuse victims, people with physical and mental health issues, children and young people with special educational needs, community safety, housing support and crime prevention initiatives, and a range of local educational and skills projects supported by the new Multiply programme or through the Adult Education Budget.
- 5.6.11 New opportunities across all these areas continue to be monitored on an ongoing basis so that the council and its partners are in the strongest position possible to secure additional funding to deliver the objectives of the City Plan.

## 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; and
- 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 ongoing 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 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. Further work will continue alongside the Integrated Care Board.

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 and reported to Cabinet on a quarterly basis. 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 ongoing 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 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 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 In April 2022, and further updated in August 2022, Government confirmed the extension of the flexibilities allowing capital receipts generated in each year through to 2024/2025 to be used to fund transformational costs incurred in those years. The updated direction included some further restrictions; "... authorities may not use the flexibility to fund discretionary redundancy payments, i.e. those not necessarily incurred under statute. This does not affect other types of severance payments and, to be clear, does not restrict, including pension strain costs, which may still be qualifying expenditure." and "capital receipts obtained must be disposals by the local authority outside the group structure."

[Direction - Flexible use of capital assets \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/106444/direction-flexible-use-of-capital-assets-2022.pdf)

- 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 2023/2024.
- 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 2023/2024 to 2026/2027 and Treasury Management Policy and Strategy 2023/2024 report elsewhere on this agenda.
- 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 2023/2024 to 2026/2027 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 move to any alternative retained business rates system. This is likely to be a key impact on the level of funding available in future.	Likely	High	Settlement confirmed RSG funding for 2023/2024 with forecasts beyond 2023/2024 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 any alternative 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.	Likely	High	Provision included in the MTFP for pay awards yet to be agreed, which includes 2023/2024. Limited additional 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. Provision included in 2023/2024 budget and future years MTFP to reflect social care and general cost pressures.
5. Anticipated savings not achieved.	Possible	High	Regular monitoring and reporting takes place. None achievement of savings would require compensating reductions in planned spending within services. Principles to maintain General Reserve at £12m.

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Management</b>
6. Revenue implications of the capital programme not fully anticipated.	Possible	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. 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 review of fees and charges undertaken.
9. Budget monitoring not effective	Unlikely	High	Monthly monitoring / reporting in line with corporate performance management framework. Action plans developed to address problem areas.
10. Exit strategies for external funding ceasing/tapering not met.	Possible	Medium	Regular monitoring and reporting. Government policy has largely removed ring fencing providing greater flexibility. External Funding Strategy in place.
11. Loss of principal deposit.	Unlikely	Medium	Limited by the controls in the Treasury Management Strategy which focus on security and liquidity of deposit prior to 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 2023/2024 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 the likelihood of further pay and contract inflation increases following the increase to the National Living Wage and also the current significant and volatile levels of general inflation in the economy. It is mitigated by the realistic prudent provisions made:

- Prudent provision has been included for pay offers;
- CPI has been included at a rate based on 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 significant 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 2023/2024; 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, robust monitoring arrangements are in place to deal 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;
- Corporate performance monitoring arrangements includes monitoring of delivery of savings and overall budget position at Chief 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 to mitigate pressures should they arise; and
- Transformation and MTFP Smoothing 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 overspending 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.

## Earmarked Reserves - Position Statement

[illegible]



Reserves	Purpose of the Reserve	Opening Balance 01.04.2022 £m	Forecast Movement in 22/23 £m	Opening Balance 01.04.2023 £m	Forecast Movement in 23/24 £m	Opening Balance 01.04.2024 £m	Forecast Movement in 24/25 £m	Opening Balance 1.04.2025 £m	Forecast Movement in 25/26 £m	Opening Balance 1.04.2026 £m	Forecast Movement in 26/27 £m	Opening Balance 1.04.2027 £m
Education Redundancy Reserve	The reserve was established to meet the anticipated costs of redundancies as a result of falling pupil rolls within maintained schools.	2.079	0.130	2.209	(0.100)	2.109	(0.100)	2.009	(0.100)	1.909	(0.100)	1.809
Sandhill Centre PFI Smoothing Reserve	The reserve was established to smooth the financial impact to the Council across the 25 years of the contract life.	2.151	(0.476)	1.675	(0.692)	0.983	(0.470)	0.513	(0.351)	0.162	(0.162)	(0.000)
Low Level Family Support	Reserve to support activities with families and individuals to address the challenges of recovering from the pandemic.	4.386	(2.001)	2.385	(1.769)	0.616	(0.616)	0.000	0.000	0.000	0.000	0.000
Collection Fund Surplus Reserve	Reserve established as part of 2018/19 budget setting to smooth the collection fund surplus benefit into future years.	1.533	0.000	1.533	0.000	1.533	0.000	1.533	0.000	1.533	0.000	1.533
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.	1.459	(0.250)	1.209	(0.250)	0.959	(0.250)	0.709	(0.250)	0.459	(0.250)	0.209
Airport Smoothing Reserve	Reserve established to smooth any delayed airport loan interest payment that may arise.	1.253	0.000	1.253	0.000	1.253	0.000	1.253	0.000	1.253	0.000	1.253
Events	Reserve established to support a bid to secure a multi-year arrangement with British Triathlon to host triathlon events in the City.	1.200	(0.016)	1.184	(0.550)	0.634	(0.200)	0.434	(0.200)	0.234	0.000	0.234
Riverside Transfer	Reserve established to fund ongoing maintenance of Homes and Communities Agency land transferred to the Council.	1.092	(0.105)	0.987	(0.104)	0.883	(0.105)	0.778		0.778		0.778
House Sale Income	The reserve relates to the sale of client's homes that will be utilised to support future support needs of those clients.	0.816	(0.204)	0.612	(0.204)	0.408	(0.204)	0.204	0.000	0.204	0.000	0.204
Health and Social Care Reserve	Additional external income from in-year Health funding to support health and social care services in Sunderland in the short to medium term.	9.336	(2.563)	6.773	(3.750)	3.023	(2.022)	1.001	0.000	1.001	0.000	1.001
Energy and General Inflation	Reserve established in response to significant inflationary pressures expected to impact council services in the short to medium term	5.750	(1.733)	4.017	(4.017)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Member Recovery Fund	Members Covid Response fund	1.000	(0.160)	0.840	(0.756)	0.084	(0.084)	0.000	0.000	0.000	0.000	0.000
Other Earmarked Revenue Reserves	Numerous small revenue reserves less than £1m which are set up for specific purposes.	19.382	(6.107)	13.275	(5.600)	7.675	(2.829)	4.846	(0.192)	4.654	(0.131)	4.523
<b>Total General Fund Reserves</b>		<b>200.394</b>	<b>(41.535)</b>	<b>158.859</b>	<b>(48.486)</b>	<b>110.373</b>	<b>(27.974)</b>	<b>82.399</b>	<b>(14.049)</b>	<b>68.350</b>	<b>(2.320)</b>	<b>66.030</b>



Reserves	Purpose of the Reserve	Opening Balance 01.04.2022 £m	Forecast Movement in 22/23 £m	Opening Balance 01.04.2023 £m	Forecast Movement in 23/24 £m	Opening Balance 01.04.2024 £m	Forecast Movement in 24/25 £m	Opening Balance 1.04.2025 £m	Forecast Movement in 25/26 £m	Opening Balance 1.04.2026 £m	Forecast Movement in 26/27 £m	Opening Balance 1.04.2027 £m
Capital Receipts Reserve	Balance of capital receipts held, pending use to fund the capital programme.	9.723	(7.115)	2.608	(2.608)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Capital Grants Unapplied	Balance of capital grants held pending expenditure on capital programme.	5.945	(4.945)	1.000	(1.000)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Usable Reserves</b>		<b>216.062</b>	<b>(53.595)</b>	<b>162.467</b>	<b>(52.094)</b>	<b>110.373</b>	<b>(27.974)</b>	<b>82.399</b>	<b>(14.049)</b>	<b>68.350</b>	<b>(2.320)</b>	<b>66.030</b>

REVENUE ESTIMATES 2023/2024  
GENERAL SUMMARY

# REVENUE BUDGET 2023/2024

**REVENUE ESTIMATES 2023/2024  
GENERAL SUMMARY**

<b>Revised Estimate 2022/23 £</b>		<b>Estimate 2023/24 £</b>
679,444	Leader	715,308
45,188,660	Deputy Leader and Green City	47,969,535
30,073,226	Cabinet Secretary	34,441,578
84,197,797	Children, Learning and Skills	88,706,517
14,335,102	Vibrant City	15,298,770
111,859,660	Healthy City	120,710,003
28,632,069	Dynamic City	28,157,460
(983,771)	Provision for Contingencies	20,438,867
	Capital Financing Costs	
28,654,318	- Debt Charges	28,654,318
(580,000)	- Interest on balances	(580,000)
(1,253,000)	- Interest on Airport long term loan notes	(1,253,000)
	Transfer to/(from) Reserves	
(5,430,394)	- Use of Medium Term Planning Smoothing Reserve	(9,000,394)
(10,964,301)	- Use of COVID-19 Section 31 Business Rates Reliefs Reserve	0
(1,294,674)	- Collection Fund Surplus Reserve	(373,905)
(58,910,039)	Technical Adjustments: IAS19 and Reversal of Capital Charges	(61,951,883)
<b>264,204,097</b>		<b>311,933,174</b>
	<b>Levies</b>	
15,805,099	North East Combined Authority Transport Levy	16,515,580
232,283	Environment Agency	232,283
72,190	North East Inshore Fisheries Conservation Authority	72,190
<b>16,109,572</b>		<b>16,820,053</b>
	<b>Less Grants</b>	
18,683,789	Improved Better Care Fund	18,683,789
18,586,011	Social Care Support Grant	29,337,386
16,830,400	Section 31 Grants – Business Rates	22,812,090
1,842,158	New Homes Bonus	1,183,025
13,781	Inshore Fisheries Conservation Authority	13,781
535,721	Lower Tier Services Grant	0
5,919,621	2022/2023 Services Grant	3,335,610
1,058,250	Adult Social Care Market Sustainability and Improvement Fund	3,671,212
0	Adult Social Care Discharge Grant	2,619,438
<b>216,843,938</b>	<b>TOTAL NET EXPENDITURE / LOCAL BUDGET REQUIREMENT</b>	<b>247,096,896</b>
70,437	Hetton Town Council	72,360
<b>216,914,375</b>	<b>TOTAL BUDGET REQUIREMENT</b>	<b>247,169,256</b>
	<b>Less Grants and NNDR</b>	
28,974,079	Revenue Support Grant	32,471,017
29,451,618	National Non-Domestic Rates - Retained Business Rates	46,924,948
43,723,682	Top up Grant	47,189,638
<b>102,149,379</b>		<b>126,585,603</b>
<b>114,764,996</b>	<b>LOCAL COUNCIL TAX REQUIREMENT INCLUDING PARISH PRECEPT</b>	<b>120,583,653</b>
<b>114,706,404</b>	<b>LOCAL COUNCIL TAX REQUIREMENT EXCLUDING PARISH PRECEPT</b>	<b>120,523,138</b>

## CONTINGENCIES 2023/2024

	£m
Pay and Cost Pressures	15.172
General Contingency	1.500
Winter Maintenance	0.300
Economic Downturn / Cost of Living Pressures	3.467
<b>Total Contingency</b>	<b>20.439</b>

## STATEMENT OF GENERAL BALANCES

	£m
<b>Balances as at 31st March 2022</b>	
<b>Use / Addition to Balances 2022/2023</b>	<b>12.000</b>
<b>Use of Balances 2022/2023</b>	
- Contribution to Revenue Budget	(5.430)
<b>Addition to Balances 2022/2023</b>	
- Transfer from Medium Term Planning Smoothing Reserve to support the 2022/2023 budget	5.430
<b>Estimated Balances 31st March 2023</b>	<b>12.000</b>
<b>Use of Balances 2023/2024</b>	
- Contribution to Revenue Budget	(9.000)
<b>Addition to Balances 2023/2024</b>	
- Transfer from Medium Term Planning Smoothing Reserve to support the 2023/2024 budget	9.000
<b>Estimated Balances 31st March 2024</b>	<b>12.000</b>

## **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, ensuring a collaborative approach to the development and delivery of services which meet people's needs and aspirations.
- To co-ordinate and apportion the roles and responsibilities of Members.
- To provide political leadership in relation to communications and corporate affairs.
- To provide political leadership in relation to safer communities.
- To undertake the role of Armed Forces Champion for the Council.

## **FINANCIAL**

### **OBJECTIVE SUMMARY**

<b>Ref.</b>	<b>Assistant Director Ref.</b>	<b>Revised Estimate 2022/2023 £</b>		<b>Estimate 2023/2024 £</b>
			<b>City Development</b>	
1	EDC	200,000	Inward Investment	200,000
2	ADRS	63,567	Safer Communities	63,691
		<b>263,567</b>	<b>Total City Development</b>	<b>263,691</b>
			<b>Strategy and Corporate Affairs</b>	
3	DSCA	1,376,507	Corporate Affairs and Communications	1,352,910
4	DSCA	203,074	Local Strategic Partnership	207,917
5	DSCA	256,833	Policy and Partnerships	236,505
		<b>1,836,414</b>	<b>Total Strategy and Corporate Affairs</b>	<b>1,797,332</b>
		<b>2,099,981</b>	<b>TOTAL DELEGATED BUDGET</b>	<b>2,061,023</b>
			<b>Non Delegated Budgets</b>	
6		227,946	IAS19 (Pensions)	269,476
7		460,538	Support Service Costs - received from other services	451,578
8		(2,128,797)	Support Service Costs - charged to other services	(2,086,545)
9		19,776	Asset Charges	19,776
		<b>679,444</b>	<b>TOTAL PORTFOLIO BUDGET</b>	<b>715,308</b>

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

## **PORTFOLIO GLOSSARY**

EDC	Executive Director of City Development
ADRS	Assistant Director of Regulatory Services
DSCA	Director of Strategy and Corporate Affairs

## **ROLES AND RESPONSIBILITIES**

Primary overview of Council priorities:

- To support the Leader as appropriate, working collectively with the Cabinet and Deputy Cabinet Members.
- To provide political leadership to the Council's climate change and low carbon plans and activities, working towards being a carbon zero council by 2030 and carbon zero city by 2040.
- To ensure that the Council's approach to the environment is integrated, enabling and effective, and the Council fulfils its strategic and statutory roles in relation to these functions. This includes exercising political policy oversight in relation to public protection and place regulation to create a high-quality physical environment for living and working in and visiting the city.
- To provide political leadership to environment, low carbon and energy partnerships.

Policy Oversight to include:

- Environment functions, ensuring that the city is clean, green, attractive and accessible for all.

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**

<b>Ref.</b>	<b>Assistant Director Ref.</b>	<b>Revised Estimate 2022/2023 £</b>		<b>Estimate 2023/2024 £</b>
<b>City Development</b>				
1	ADER	1,229,002	Business and Investment	1,195,115
2	ADER	172,129	Business Development	168,524
3	ADER	1,075,519	Carbon Reduction	1,068,458
4	PD	396,202	Port of Sunderland*	396,204
5	ADRS	1,698,602	Public Protection and Regulatory Services	1,951,362
6	EDCD	339,671	Strategic Management	306,415
		<b>4,911,125</b>	<b>Total City Development</b>	<b>5,086,078</b>
<b>Environmental Services</b>				
7	DES	(2,270,900)	Bereavement	(2,256,449)
8	DES	612,369	Depots	1,148,169
9	DES	3,368,984	Fleet	4,080,268
10	DES	8,802,262	Local Services	8,924,534
11	DES	2,432,172	Waste Collection and Recycling	2,925,747
12	DES	15,645,465	Waste Disposal*	16,547,578
		<b>28,590,352</b>	<b>Total Environmental Services</b>	<b>31,369,847</b>
		<b>33,501,477</b>	<b>TOTAL DELEGATED BUDGET</b>	<b>36,455,925</b>
<b>Non Delegated Budgets</b>				
13		3,263,840	IAS19 (Pensions)	3,760,824
14		11,490,051	Support Service Costs - received from other services	12,055,177
15		(9,083,196)	Support Service Costs - charged to other services	(10,318,879)
16		6,016,488	Asset Charges	6,016,488
		<b>45,188,660</b>	<b>TOTAL PORTFOLIO BUDGET</b>	<b>47,969,535</b>

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

**PORTFOLIO GLOSSARY**

ADER	Assistant Director of Economic Regeneration
PD	Port Director
ADRS	Assistant Director of Regulatory Services
EDCD	Executive Director of City Development
DES	Director of Environmental Services

**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.
- Community Wealth Building and Cooperative development agendas, leading on the creation of social value through procurement and supporting the embedding of these principles across all portfolios.



**REVENUE BUDGET 2023/2024  
CABINET SECRETARY**

**APPENDIX J**

**FINANCIAL**

**OBJECTIVE SUMMARY**

<b>Ref.</b>	<b>Assistant</b>	<b>Revised £</b>		<b>Estimate £</b>
			<b>City Development</b>	
1	DDC	(212,726)	Capital Projects Team	(224,433)
2	DDR	3,589,763	Civic Buildings – City Hall	3,705,997
		<b>3,377,037</b>	<b>Total City Development</b>	<b>3,481,564</b>
			<b>Finance</b>	
3	ADAPS	(76,450)	Area Facilities	319,073
4	ADAPS	892,100	Asset Management	804,729
5	ADAPS	1,859,160	Audit, Risk and Insurance	1,663,879
6	DF	799,017	Benefits Service	286,839
7	ADAPS	1,230,304	Building Cleaning	1,108,763
8	ADAPS	(769,487)	Building Services*	83,435
9	ADAPS	663,858	Civic Buildings*	1,140,284
10	ADAPS	41,082	Civic Catering	38,835
11	ADAPS	165,336	Civil Contingencies	162,659
12	DF	291,932	Corporate and Strategic Management	286,805
13	DF	393,088	Corporate Management	573,088
14	ADAPS	145,177	Data Protection Office	137,600
15	DF	2,249,388	Financial Management	2,119,051
16	ADAPS	340,929	Health and Safety	376,677
17	DF	1,630,538	Local Enterprise Partnership	2,862,590
18	ADAPS	(855,664)	Miscellaneous Land, Property, and Industrial Estates	(701,413)
19	ADAPS	557,784	Procurement	522,845
20	ADAPS	159,398	Public Conveniences	164,459
21	ADAPS	2,294,043	Repairs and Renewals	2,184,065
22	ADAPS	(275,652)	Retail Market	(233,581)
23	DF	607,017	Revenues	1,213,098
24	ADAPS	509,453	School Meals	443,001
25	ADAPS	1,476,804	Security Services	1,669,061
		<b>14,329,155</b>	<b>Total Finance</b>	<b>17,225,842</b>
			<b>Smart Cities and Enabling Services</b>	
26	ADLG	125,826	Complaints	122,156
27	ADLG	890,847	Coroners Court	891,912
28	DSC	3,717,554	Corporate Services Support	3,995,370
29	DSC	2,448,346	Customer Service Network	2,234,713
30	ADLG	1,269,669	Democratic Core	1,259,669
31	ADLG	646,289	Electoral Services	640,251
32	ADLG	463,547	Governance Services	450,349
33	DSC	6,511,010	ICT	6,342,817
34	DSC	(70,757)	Information Governance	(156,728)
35	ADLG	959,494	Legal Services	896,203
36	ADLG	557,680	Member Support	530,632
37	ADLG	(71,147)	Registrars	(129,110)
38	DSC	1,348,419	Strategic and Operational HR	955,538
39	DSC	500,356	Transformational Change Team	490,686
		<b>19,297,133</b>	<b>Total Smart Cities and Enabling Services</b>	<b>18,524,458</b>
			<b>Strategy and Corporate Affairs</b>	
40	DSCA	44,826	Equalities and Integration	44,826
		<b>44,826</b>	<b>Total Strategy and Corporate Affairs</b>	<b>44,826</b>
		<b>37,048,151</b>	<b>TOTAL DELEGATED BUDGET</b>	<b>39,276,690</b>
			<b>Non Delegated Budgets</b>	
41		5,982,965	IAS19 (Pensions)	6,751,240
42		24,846,442	Support Service Costs - received from other services	24,614,160
43		(44,291,656)	Support Service Costs - charged to other services	(42,687,836)
44		6,487,324	Asset Charges	6,487,324
		<b>30,073,226</b>	<b>TOTAL PORTFOLIO BUDGET</b>	<b>34,441,578</b>

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

**PORTFOLIO GLOSSARY**

DDC	Development Director - Commercial
DDR	Development Director - Residential
ADAPS	Assistant Director of Assurance & Property Services
DF	Director of Finance
ADLG	Assistant Director of Law & Governance
DSC	Director of Smart Cities and Enabling Services
DSCA	Director of Strategy and Corporate Affairs

**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 all age learning and skills agendas are supported.
- To provide political leadership to the Council’s work to tackle child poverty, and as the Council’s designated Food Champion, the food poverty agenda.
- 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.

**FINANCIAL**

**OBJECTIVE SUMMARY**

Ref.	Assistant Director Ref.	Revised Estimate 2022/2023 £		Estimate 2023/2024 £
<b>Children’s Services and Together for Children Educational Attainment and Lifelong Learning</b>				
1	DCS	49,394,580	DSG and Other Grant – Schools	47,144,085
2	DCS	787,261	DSG and Other Grant – Central School Services	847,687
3	DCS	19,340,349	DSG Early Years Block	20,567,499
4	DCS	30,795,784	DSG High Needs Block	35,065,225
5	DCS	(100,900,974)	DSG and Other School Grants	(104,207,496)
6	DCS	2,136,605	Retained Activity – Schools and Learning	2,131,536
		<b>1,553,605</b>	<b>Total Educational Attainment and Lifelong Learning</b>	<b>1,548,536</b>
7	DCS	43,930	Director of Children’s Services	40,191
8	DCS	(97,702)	Learning and Skills	(105,528)
9	DCS	223,224	Sunderland Safeguarding Children’s Board	220,311
10	DF	71,886,135	Together for Children	75,682,513
11	DCS	300,393	Trading Operations – Derwent Hill*	267,035
		<b>72,355,980</b>	<b>Total Children’s Services and Together for Children</b>	<b>76,104,522</b>
		<b>73,909,585</b>	<b>TOTAL DELEGATED BUDGET</b>	<b>77,653,058</b>
<b>Non Delegated Budgets</b>				
12		3,602,977	IAS19 (Pensions)	4,389,674
13		388,394	Support Service Costs - received from other services	363,205
14		(267,497)	Support Service Costs - charged to other services	(263,758)
15		6,564,338	Asset Charges	6,564,338
		<b>84,197,797</b>	<b>TOTAL PORTFOLIO BUDGET</b>	<b>88,706,517</b>

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

**PORTFOLIO GLOSSARY**

DCS	Director of Children Services
DF	Director of Finance

## **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 resident engagement and resilience is integrated, enabling and effective and built on Community Wealth Building principles, and that 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**

<b>Ref.</b>	<b>Assistant Director Ref.</b>	<b>Revised Estimate 2022/2023 £</b>		<b>Estimate 2023/2024 £</b>
			<b>Children's Services and Together for Children</b>	
1	DCS	706,637	Libraries	743,896
		<b>706,637</b>	<b>Total Children's Services and Together for Children</b>	<b>743,896</b>
			<b>City Development</b>	
2	ADER	132,369	Arts and Creative Development	182,883
3	ADRS	712,308	Environmental Enforcement	1,073,692
4	ADRS	1,110,404	Events	1,131,861
5	ADER	149,201	Heritage	146,656
6	ADER	922,419	Museums and Archives Services	1,438,112
7	ADER	(15,338)	Resorts	(16,205)
8	ADER	355,404	Theatre	409,214
		<b>3,366,767</b>	<b>Total City Development</b>	<b>4,366,213</b>
			<b>Health, Housing and Communities</b>	
9	ADHC	871,687	Area Arrangements	874,467
10	EDHHC	796,285	Community Sports and Physical Activity Development	799,145
11	EDHHC	50,405	Grants to Community Projects and Miscellaneous Contributions	53,655
12	EDHHC	1,208,221	Sport and Leisure Facilities	1,118,221
13	ADHC	2,256,666	Neighbourhood Fund	2,256,666
		<b>5,183,264</b>	<b>Total Health, Housing and Communities</b>	<b>5,102,154</b>
			<b>Strategy and Corporate Affairs</b>	
14	DSCA	79,204	Tourism	59,204
		<b>79,204</b>	<b>Total Strategy and Corporate Affairs</b>	<b>59,204</b>
		<b>9,335,872</b>	<b>TOTAL DELEGATED BUDGET</b>	<b>10,271,467</b>
			<b>Non Delegated Budgets</b>	
15		702,374	IAS19 (Pensions)	828,782
16		1,970,075	Support Service Costs - received from other services	1,871,740
17		(727,873)	Support Service Costs - charged to other services	(727,873)
18		3,054,654	Asset Charges	3,054,654
		<b>14,335,102</b>	<b>TOTAL PORTFOLIO BUDGET</b>	<b>15,298,770</b>

**REVENUE BUDGET 2023/2024  
VIBRANT CITY**

**APPENDIX J**

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

**PORTFOLIO GLOSSARY**

DCS	Director of Children Services
ADER	Assistant Director of Economic Regeneration
ADRS	Assistant Director of Regulatory Services
ADHC	Assistant Director of Housing and Communities
EDHHC	Executive Director of Health, Housing and Communities
DSCA	Director of Strategy and Corporate Affairs

## **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.
- To provide political leadership to an all-population approach to public health, narrowing the health inequalities gap to achieve the best outcomes for all residents.
- 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**

<b>Ref.</b>	<b>Assistant Director Ref.</b>	<b>Revised Estimate 2022/2023 £</b>		<b>Estimate 2023/2024 £</b>
<b>Adult Services and Sunderland Care and Support</b>				
1	DAS	67,706,931	Adult Social Care, including Older People, People with Physical, Learning and Mental Health Disabilities	75,312,397
2	DAS	32,342,708	Strategic Commissioning	33,706,520
		<b>100,049,639</b>	<b>Total Adult Services and Sunderland Care and Support</b>	<b>109,018,917</b>
<b>Health, Housing and Communities</b>				
3	EDHHC	204,529	Joint Commissioning	195,698
4	EDHHC	(4,136,246)	Public Health	(4,136,246)
5	ADHC	2,061,271	Strategic Advice	2,022,751
6	ADC	341,555	Supporting People	344,971
7	ADHC	512,383	Welfare Reform	507,847
		<b>(1,016,508)</b>	<b>Total Health, Housing and Communities</b>	<b>(1,064,979)</b>
		<b>99,033,131</b>	<b>TOTAL DELEGATED BUDGET</b>	<b>107,953,938</b>
<b>Non Delegated Budgets</b>				
8		3,006,854	IAS19 (Pensions)	3,321,399
9		46,427,249	Support Service Costs - received from other services	47,191,068
10		(36,691,777)	Support Service Costs - charged to other services	(37,840,605)
11		84,203	Asset Charges	84,203
		<b>111,859,660</b>	<b>TOTAL PORTFOLIO BUDGET</b>	<b>120,710,003</b>

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## **PORTFOLIO GLOSSARY**

DAS	Director of Adult Services
EDHHC	Executive Director of Health, Housing and Communities
ADHC	Assistant Director of Housing and Communities
ADC	Assistant Director of 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, 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, transport and regeneration agenda is integrated, enabling and effective and the Council fulfils its strategic and statutory roles in relation to these functions, including dealing with homelessness.
- To provide political leadership to the Council's approach to partnerships relating to housing, transport and regeneration.
- To ensure Community Wealth Building and cooperative development approaches to delivering these priorities and functions, including a focus on the growth of the SME sector and on opportunities for the expansion of social housing across the city.

Policy Oversight to include:

- Transport and infrastructure priorities and plans, supporting the development of great transport links and active travel opportunities.

## **FINANCIAL**

### **OBJECTIVE SUMMARY**

<b>Ref.</b>	<b>Assistant Director Ref.</b>	<b>Revised Estimate 2022/2023 £</b>		<b>Estimate 2023/2024 £</b>
<b>City Development</b>				
1	ADRS	346,608	Anti-Social Behaviour	340,679
2	ADRS	(38,050)	Building Control	(89,707)
3	DDR	(3,238,431)	Commercial Development	(5,653,896)
4	ADRS	(80,656)	Development Control	(146,752)
5	DDC	(66,273)	Environmental Initiatives	(70,647)
6	ADTI	1,072,922	Infrastructure and Transportation*	1,084,187
7	ADTI	(1,271,397)	Parking Services	(959,891)
8	ADER	822,617	Planning Implementation	751,916
9	DDR	(996,977)	Regeneration Properties	(967,878)
10	ADTI	8,407,658	Street Lighting*	10,329,755
		<b>4,958,021</b>	<b>Total City Development</b>	<b>4,617,766</b>
<b>Health, Housing and Communities</b>				
11	ADHC	1,429,618	Access to Housing	1,246,319
12	ADHC	311,460	Domestic Abuse	311,460
13	ADHC	104,472	Sunderland Housing Service*	102,351
		<b>1,845,550</b>	<b>Total Health, Housing and Communities</b>	<b>1,660,130</b>
		<b>6,803,571</b>	<b>TOTAL DELEGATED BUDGET</b>	<b>6,277,896</b>
<b>Non Delegated Budgets</b>				
14		2,093,829	IAS19 (Pensions)	2,376,234
15		5,308,755	Support Service Costs - received from other services	5,077,416
16		0	Support Service Costs - charged to other services	0
17		14,425,914	Asset Charges	14,425,914
		<b>28,632,069</b>	<b>TOTAL PORTFOLIO BUDGET</b>	<b>28,157,460</b>

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**PORTFOLIO GLOSSARY**

ADRS	Assistant Director of Regulatory Services
DDR	Development Director - Residential
ADER	Assistant Director of Economic Regeneration
ADTI	Assistant Director of Transport and Infrastructure
ADHC	Assistant Director of Housing and Communities
DDC	Development Director - Commercial



## **Appendix K - City Plan 2023-2035 and Indicative Timeline**

