

**BUDGET PLANNING FRAMEWORK AND MEDIUM TERM FINANCIAL PLAN
2023/2024 – 2026/2027****Assistant Director of Finance****1. Purpose of Report****1.1 This report:**

- Provides an update, since the Budget Planning Framework and Medium Term Financial Plan (MTFP) report to Cabinet in October 2022, on the key factors influencing the development of the Council's financial plans into the medium term;
- Sets out the updated headlines and context for the MTFP 2023/2024 to 2026/2027;
- Sets out provisional budget savings proposals for 2023/2024 to assist in meeting the current budget gap, as a basis for budget consultation, prior to the receipt of the Local Government Finance Settlement for 2023/2024; and
- Sets out the consultation / communication strategy for the budget 2023/2024.

2. Description of Decision**2.1 Cabinet is recommended:**

- To note the summary MTFP set out at section 3 of the report and note that the full MTFP 2023/2024 to 2026/2027 will be presented to Cabinet in February 2023; and
- To approve the provisional budget savings proposals, as a basis for budget consultation, prior to the receipt of the Local Government Finance Settlement for 2023/2024.

3. Medium Term Financial Plan 2023/2024 to 2026/2027

3.1. The MTFP 2022/2023 to 2025/2026 was approved by Council in March 2022 as part of the 2022/2023 budget setting process. The plan is continually updated to reflect changing circumstances and latest known information. This report provides a further update on the MTFP since the Budget Planning Framework and MTFP report to Cabinet on 13th October 2022. The full MTFP 2023/24 to 2026/2027 will be presented to Cabinet in February 2023.

3.2. Key points to note since the October Cabinet report, which impact on the Budget Planning for 2023/2024 and beyond, are set out in section 3 below.

3.3. National and Economic context to the 2023/2024 budget

3.3.1 Since the last update to Cabinet in October, the Chancellor announced his Autumn Statement on 17th November 2022. The Office for Budget Responsibility (OBR) outlook for the economy and public finances was published alongside the Chancellor's Autumn Statement.

3.3.2 Over recent months, the global energy and food supply shocks emanating from Russia's invasion of Ukraine have intensified. The further curtailment of Russian imports saw European wholesale gas prices rise ten-fold from pre-pandemic levels, and markets now expect prices to remain four times higher in the medium term.

- 3.3.3 In response to inflationary pressures from rising energy, food, and other goods prices the Bank of England have attempted to manage the position through raising interest rates to levels not seen since the 2008 financial crisis. This has curtailed the global economic recovery following the pandemic and intensified the financial pressure on governments who emerged from it with higher debt and are again being called upon to help households and businesses with energy bill support. Rising debt interest payments are a major factor in the UK Government's weakened financial position.
- 3.3.4 A lower growth rate, measured through Gross Domestic Product (GDP), is the driving factor behind the UK's worsening economic prospects. In March 2022, the Office for Budget Responsibility (OBR) forecast that the UK would recover from the economic impact of the pandemic, and then continue to grow at around 1.7% per year from 2023 onwards. Things have worsened sharply since then. The Bank of England forecast in its November Monetary Policy Committee (MPC) report that the economy will move into a recession through a contraction of 0.75% in the second half of 2022, and then continue to fall during 2023 and into the first half of 2024. The recent OBR report is not quite as pessimistic but still forecasts a recession starting in the second half of 2022 and extending into 2023. Forecast recovery in real incomes, consumption, and investment in 2024 would allow GDP to return to growth, with output recovering to pre-pandemic levels in the fourth quarter of that year.
- 3.3.5 Linked to the recession, unemployment is now forecast to rise by 505,000 from £1.2m to £1.7m in the third quarter of 2024.
- 3.3.6 The October Consumer Prices Index (CPI) inflation rate rose to 11.1% in the 12 months to October 2022, up from 10.1% in September 2022. It is estimated that the peak would have been a further 2.5 percentage points higher without the energy price guarantee support scheme limiting a typical household's annualised energy bill to £2,500 this winter.
- 3.3.7 Inflation is forecast to drop sharply over the course of next year and potentially falling below zero by around 2025. Following this sharp dip, which is reliant upon falling gas prices, inflation is then forecast to return to the Government's target level of 2% in 2027.
- 3.3.8 The income tax, personal allowances and higher rate thresholds which were already fixed at their current levels until April 2026 will now be maintained at these levels for a further two years until April 2028 to generate greater tax revenues. OBR forecasts suggest that we will see the largest fall in real household disposable income per head (7.1% over two years) since the 1940s, due to the impact of frozen personal tax allowances coupled with high inflation.
- 3.3.9 Following the recommendations of the independent Low Pay Commission (LPC), the National Living Wage (NLW) will increase for individuals aged 23 and over by 9.7% to £10.42 an hour from 1 April 2023.
- 3.3.10 The Bank of England's Monetary Policy Committee (MPC) will next meet on 15th December 2022, where it will consider the details of the Autumn statement alongside other economic factors in relation to future Bank Rate rises. At its last meeting on 2nd November 2022, the MPC voted by a majority of 7-2 to increase Bank Rate by 0.75 percentage points to its current rate of 3%.

3.4 Central Government Funding for Local Government

3.4.1 Key messages from the Autumn Statement relating to local government finance include:

Core Spending Power

- 3.4.2 The Autumn Statement provided confirmation that the 2023/2024 and 2024/2025 departmental expenditure limit provided to the Department for Levelling Up, Housing and Communities (DLUHC) as part of the 2021 Spending Review would remain. Beyond this period, into 2025/2026, given the backloading of some of the public spending tightening announcements made by the Chancellor, unprotected departments like DLUHC, are likely to receive a reduction in real terms funding if inflation returns to the 2% target level. Details of the Council's grant funding allocations for 2023/2024 and potentially 2024/2025 will not be known until the Provisional Local Government Finance settlement is published in late December 2022. Government at this time are unable to confirm the specific date but it is being suggested it could be as late as 21st December.

Social Care Funding

- 3.4.3 The continued and mounting financial pressures within adult social care have been acknowledged though providing additional funding for both 2023/2024 and 2024/2025. Nationally, additional resource of £2.8 billion will be provided in 2023/2024 and a further £1.9 billion in 2024/2025. Although, some of this funding is assumed to be raised locally through increases in council tax and some of this funding was already in place for other initiatives. This resource comprises three areas:

- New grant funding of £1 billion in 2023/2024 and a further £0.7 billion in 2024/2025:
 - £0.6bn in 2023/2024 (a further £0.4bn in 2024/2025) will be distributed through the Better Care Fund (BCF) “to get people out of hospital on time into care settings, freeing up NHS beds for those that need them”
 - £0.4bn in 2023/2024 (a further £0.3bn in 2024/2025) will be distributed through a grant “ringfenced for adult social care which will also help to support discharge”.
- Repurposing of funding previously earmarked by the Government for Social Care Charging Reforms of £1.3 billion in 2023/2024 and a further £0.6 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 social care delivery. It is unclear how the reforms, which have been delayed until October 2025, will subsequently be funded.

- Confirmation of the Adult Social Care precept limit at 2% for 2023/2024 and 2024/2025. This would provide the c. £0.5 billion balance of resource in 2023/2024 and with a similar sum in 2024/2025. This would require councils to charge a further 2% to local council taxpayers in 2023/2024 (and 2024/2025) for the Adult Social Care precept element of the council tax charge.

3.4.4 At present the methodology for distributing the additional grant funding is unclear, including if any funding will be distributed via health partners. It is also unclear if there are any output requirements, targets or other conditions associated with the receipt of the grants. Further information could be received from Government in the coming weeks or if not, further clarity will be received as part of the provisional Local Government Finance Settlement.

Council Tax

3.4.5 The Government is giving local authorities in England additional flexibility in setting council tax by increasing the referendum limit for increases in core council tax to 2.99% per year from April 2023 (from 1.99%). This is in the absence of any additional funding being provided by the Government to assist councils with the significant inflationary cost pressures they are being faced with in the current year and into next year. As noted above, local authorities with social care responsibilities will also be able to increase the adult social care precept by up to 2% per year. This would allow councils to raise council tax by up to 4.99% in total for 2023/2024 without the need for a referendum and will form the basis of the Government's assumption for council tax increases in those years.

Business Rates

3.4.6 The Autumn Statement confirmed a number of areas of business rates charging for 2023/2024. The business rates revaluation to reflect changes in property prices since 2017, will go ahead as planned in April 2023. Draft listings of the updated business rate charges have now been released by the Government. In broad terms manufacturing / factories and warehousing have increased whilst those in the retail, hospitality and leisure sectors are generally seeing decreases.

3.4.7 To support businesses who will receive an increase in their bill from April 2023, a package of targeted support worth £13.6 billion over the next 5 years will be provided as businesses transition to meeting their full liability based upon the revaluation.

3.4.8 In recognition of the ongoing financial pressures on the retail, hospitality and leisure (RHL) sector, support for eligible businesses is being extended and increased from 50% to 75% business rates relief up to £110,000 per business in 2023/2024. Around 230,000 RHL properties will be eligible nationally to receive this increased support worth £2.1 billion. Councils will be fully compensated for this relief.

3.4.9 The business rates multiplier has been frozen for a further year in 2023/2024. Local authorities will receive "cap compensation" funding to recognise this loss of income. The basis of the calculation of this compensation is not yet confirmed but has historically been based on September inflation figures.

- 3.4.10 The Autumn Statement confirmed “English Local Authorities will be fully compensated for the loss of income as a result of these business rates measures and will also receive new burdens funding for administrative and IT costs”.

Housing

- 3.4.11 Increases in social housing rents in England are to be capped at 7% for 2023/2024. Rents would normally increase for the coming year by the September CPI inflation rate plus 1%. Since inflation reached 10.1% in September, that would have amounted to an 11.1% increase from April 2023. To reduce cost impacts for tenants facing a cost-of-living crisis this has been limited to a maximum of 7% by the Government as part of the Autumn Statement. Councils / social housing providers will not be compensated for the lost income arising from the reduced increase.

Schools

- 3.4.12 The Autumn Statement announced a real terms increase in per pupil funding from that committed at Spending Review 2021. The core schools’ budget in England will receive £2.3 billion of additional funding in each of 2023/2024 and 2024/2025.

Public Health

- 3.4.13 There was no announcement in relation to Public Health grant funding as part of the Autumn Statement. The Spending review in October 2021 indicated Public Health grant funding will be maintained in real terms over the spending review period.

Summary Funding Position over the Medium Term

- 3.4.14 Given the uncertainty on the allocation of national funding changes outlined above, the Medium-Term Financial planning assumptions on Government grant income are currently unchanged from the update provided to Cabinet in October 2022. The Provisional Local Government Finance Settlement will detail the allocations of funding from the Government which will be reported to cabinet at its January meeting.
- 3.4.15 The medium to long term position on Government funding continues to be uncertain following the prior move away from the planned 75% business rates retention and the recent number of changes to the DLUHC ministerial team. In the absence of any further information, the continued assumption is that the Government will ensure at worst a broadly status quo position is maintained upon implementation of Fair Funding and any updated Business Rate Retention Scheme.

3.5 Medium Term Financial Plan

- 3.5.1 The MTFP position reported to Cabinet in October 2022 is shown below. This position highlighted a MTFP gap of £61.114m over the 4-year period 2023/2024 to 2026/27, with a forecast gap of £21.385m in 2023/2024.

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Government Grant Change	(7.615)	(0.874)	(0.892)	(0.910)	(10.291)
On-going Spending Pressures	39.456	20.418	15.069	15.402	90.345
Total Gross Funding Gap	31.841	19.544	14.177	14.492	80.054
Council Tax / Social Care Precept increase	(3.501)	(3.643)	(3.771)	(3.903)	(14.818)
Council Tax Base Impact	(2.385)	(1.239)	(0.643)	(0.662)	(4.929)
Council Tax - Prior Year Surplus / Deficit Impact	2.413	(1.118)	0.000	0.000	1.295
Business Rates - Base and Inflationary impact	(0.500)	(1.409)	(1.427)	(1.446)	(4.781)
Business Rates - Prior Year Surplus / Deficit Impact	(2.913)	1.777	0.000	0.000	(1.136)
Current MTFP Gap after council tax and business rates	24.955	13.912	8.336	8.481	55.684
Previously Agreed Use of MTFP Smoothing Reserves	(3.570)	0.000	5.430	3.570	5.430
Current MTFS Gap after previous agreed use of reserves	21.385	13.912	13.766	12.051	61.114

- 3.5.2 A detailed analysis of the Council's spending pressures and commitments was presented to Cabinet in the October 2022 report. All spending pressures and commitments will continue to be reviewed and refined throughout the budget setting process.

Pay

- 3.5.3 The pay award for the current financial year, 2022/2023, was agreed by the Trades Unions on 1st November 2022. In July 2022 the local government employers made a formal offer, for Local Government Pay of £1,925 on all NJC pay points, to Trades Unions. The offer equated to 10.50% for SCP1 and no less than 4.04% for SCP43. The agreed pay award has been backdated to 1st April 2022 and averages at c. 7% which is significantly above the 3% included in the base revenue budget at the time of setting the 2022/2023 budget. This impact was factored in to the MTFP for future years alongside an assumption of a 4.5% pay award for 2023/2024. This position is unchanged from the October budget planning update but will be kept under review throughout the budget process.

- 3.5.4 It should be noted that at this stage in the budget setting process there remain significant uncertainties which include:

- Government funding announcements, and the subsequent Local Government Finance Settlement for 2023/2024, to confirm the actual individual local authority allocations. This is expected in late December;
- The ongoing impact of the global economy and inflation on the Council's costs and income, namely pay, energy, supplies and demand on services;
- Ongoing pressures in both Adult and Children's Social Care;
- Confirmation of delivery of existing savings plans and the development and implementation of any new proposals;
- The impact of capital investment priorities both in terms of debt charges and any associated operational costs;

- The Government's plans and timescales in relation to Fair Funding and Business Rates retention impacting on the MTFP; and
- The general economic position and the direct impact on public sector finances.

3.6 Locally Raised Income

Council Tax

- 3.6.1 As noted above, the Government is giving local authorities in England additional flexibility in setting council tax by increasing the referendum limit for increases in core council tax to 2.99% per year from April 2023. Local authorities with social care responsibilities will also be able to increase the adult social care precept by up to 2% per year. This will allow councils to raise total council tax by 4.99% in total for 2023/2024 without the need for a referendum.
- 3.6.2 Decisions on the level of council tax including social care precept will be made as part of the final budget planning stages once all other funding factors are fully understood. At this stage, the MTFP continues to allow for an annual total increase of 2% in core council tax and a further 1% for the Social Care precept.
- 3.6.3 The financial impact of cost of living crisis on residents could impact council tax collection rates and potentially increase the numbers of claimants eligible for the Local Council Tax Support Scheme as we move in to 2023/2024. The situation will be monitored closely during the budget setting process.

3.7 Business Rates

- 3.7.1 Under the current Retained Business Rates funding arrangement, the Council retains locally 49% of increased income arising from growth in the Local Business Rates base (equally it shares the risk of any under achievement of income targets). The Council has a relatively low Business Rates yield with the Government providing a top-up grant. The revaluation of business rateable values to be introduced from April 2023 will impact on the proportions of collectable rates and top-up grant but will be neutral overall.
- 3.7.2 Inherent within the scheme is growth arising from increases in chargeable properties. However, there is continued uncertainty specifically around appeals and avoidance tactics which can impact on the level of income achieved. The most significant opportunity for Business Rates growth arises through new developments, although growth in Business Rates in our three Enterprise Zones will be accounted for separately, as this is used to support the investment in those sites.
- 3.7.3 As with council tax, the impact of the cost of living crisis on Business Rates is likely to be felt moving in to 2023/2024 with pressure on collectability and ultimately business survival through the recession. As set out in paragraph 3.4.8 the Government have confirmed some business rates discounts for specific sectors, for which local authorities will be fully compensated. The position will be kept under review and required adjustments reflected in the MTFP as appropriate during the budget setting process.

3.8 Revenue Savings Proposals

3.8.1 As noted in the Budget Planning Framework Report in October 2022, plans were in the development stage to be brought forward at a later stage in the budget planning process to address the budget gap. Budget savings proposals totalling £11.279m in 2023/2024 and £9.975m on an ongoing basis have now been developed and are summarised below. Further details of the proposals are provided at Appendix 1.

Portfolio	Service Area	2023/24	2024/25	2025/26	2026/27
		£m	£m	£m	£m
Leader	Policy & Partnerships	0.024			
	Corporate Affairs & Communications	0.043		0.014	
Leader Portfolio Total		0.067	0	0.014	0
Deputy Leader & Clean Green City	Economic Regeneration	0.238			
	Environmental Services Fleet		0.313		0.222
Deputy Leader & Clean Green City Total		0.238	0.313	0	0.222
Cabinet Secretary	Finance, Revenues and Benefits	0.811	(0.200)	(0.100)	
	Audit, Risk, Procurement and Insurance	0.199			
	Property Services including catering and cleaning	0.344			
	ICT	0.339			
	Legal Services	0.120			
	Corporate Support Service	0.192			
	Customer Services Network	0.162			
	Members Support	0.030			
	Strategic and Operational HR	0.067			
	Registration Services	0.036			
	Electoral Services		0.012		
Cabinet Secretary Total		2.300	(0.188)	(0.100)	0
Children, Learning & Skills	Education Pensions	0.150			
Children, Learning and Skills Total		0.150	0	0	0
Dynamic City	Housing Options Team	0.140			
	Regulatory Services	0.130			
	Siglion Distribution	2.000			(2.000)
	Street Lighting	0.500			
	Regeneration Properties	0.265			
Dynamic City Total		3.035	0	0	(2.000)
Healthy City	Public Health Joint Commissioning	0.015			
	Adult Social Care	5.307	0.393		
	Sunderland Safeguarding Adults Board		0.042		
Healthy City Total		5.322	0.435	0	0
Vibrant City	Community Sport and Physical Activity	0.052			
	Sport and Leisure Facilities	0.090			
	Tourism	0.025			
Vibrant City Total		0.167	0	0	0
TOTAL		11.279	0.560	(0.086)	(1.778)

3.9 Overall Remaining Budget Gap

- 3.9.1 The position takes into account the previously agreed use of earmarked reserves of £9m in 2023/2024. After taking into account the budget saving proposals set out at section 3.8, there remains a budget gap of £10.106m in 2023/2024, with a further £41.033m required to be identified over the period 2024/2025 to 2026/2027. Savings and efficiency proposals continue to be developed to address the remaining gap across all services including by Together for Children . Any additional proposals will be presented to Cabinet in January.
- 3.9.2 The Council's strong financial management and creation of reserves to support the budget over the medium term provides the opportunity to utilise funding to support the budget position whilst developing and delivering savings via the Efficiency Strategy. The Council has previously created a MTFP Smoothing reserve to address these forecast pressures. It is expected that these reserves will be around £27m at the start of next financial year and the MTFP assumes it will be used over 3 years, before being fully utilised at the end of 2025/2026.
- 3.9.3 Following the publication of the Provisional Local Government Finance Settlement, the level of resource to be provided by the Government for 2023/2024 and potentially 2024/2025 will be confirmed. A further update covering the Local Government Finance Settlement and any other changes to budget planning assumptions will be provided to Cabinet in January 2023.

	2023/24	2024/25	2025/26	2026/27	Total
	£m	£m	£m	£m	£m
MTFP Gap after previous agreed use of reserves - Oct 22	21.385	13.912	13.766	12.051	61.114
Savings Proposals	(11.279)	(0.560)	0.086	1.778	(9.975)
Updated MTFP Gap after savings proposals	10.106	13.352	13.852	13.829	51.139

3.10 Approach to addressing the overall funding gap

- 3.10.1 The Council's Efficiency Strategy was agreed by Council in March 2022. The Strategy set out a continual 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:
- 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 thereby eliminating waste and duplication;
 - Redesigning and reshaping services to deliver required outcomes in a value for money way which maximises productivity;

- Strategic commissioning based on outcomes and using an intelligence-based approach to ensure a sound evidence base for commissioning decisions and effective commissioning arrangements;
- Pressing forward with new models of service delivery that improve our commercialisation, to maximise income opportunities where there is a market and business case;
- Ensuring opportunities for collaboration with partners to deliver key outcomes that matter to the city;
- Ensuring that our internal, support services respond appropriately to the changing shape and size of the Council;
- Involving the Community – residents, businesses, partners, voluntary sector to ensure best outcomes for the city; and
- Continued focus on regeneration and inward investment in order to grow business rates and council tax income, leveraging funding to maximise additional income sources and commercial opportunities.

4. Workforce Planning Implications

- 4.1 Some of the 2023/2024 savings proposals outlined in section 3.8 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.
- 4.2 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 and from within the overall corporate resource position.

5. Budget Consultation/Communication Strategy 2023/2024

- 5.1 Communication and consultation are important parts of medium-term financial planning. A range of activity informs this process and influences financial planning.
- 5.2 Consultation on the budget proposals will commence on 9th December 2022 and will run until early January 2023. Existing networks such as 'Let's Talk' and social media platforms will be utilised to communicate with both geographic communities and communities of interest.
- 5.3 In addition to residents, there will be communications with a range of partners and stakeholders including Trades Unions, Chamber of Commerce, Sunderland Business Innovation District (BID), the wider business community, employees, and the city's Equality Forums and Independent Advisory Groups. Communications with these groups will be tailored to their interests, for example, economic regeneration, neighbourhood services and adult services.
- 5.4 Feedback from the budget consultation will be prepared for members and Chief Officer Group for consideration whilst developing final budget proposals.

- 5.5 Scrutiny Coordinating Committee will continue to be consulted throughout the budget setting process.
- 5.6 Feedback from consultation with all consultees will be considered in framing the final budget proposals to be submitted to Cabinet in February 2023.

6. Crime and Disorder

- 6.1 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.

7. Equalities Analysis

- 7.1 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.
- 7.2 Directorates must consider the equality impact of any new proposals brought forward to meet the future budget gap and complete equality analyses as appropriate. Completed equality analyses, considerations of potential impacts and a summary of the cumulative impact of proposals will be presented with future Cabinet reports.
- 7.3 Members must understand the equality implications of the proposals, which will be outlined in the equality analyses, as having regard to them will assist members in complying with the public sector equality duty when considering the final proposals.

8. Suggested Reasons for Decision

- 8.1 Adoption of the Budget Planning Framework forms an essential part of the process of the preparation and compilation of the Revenue Budget for 2023/2024.
- 8.2 To enable constitutional requirements relating to the development of the Revenue Budget to be met.

9. Alternative Options to be considered and recommended to be rejected

- 9.1 There are no alternative options recommended for approval.

10. Background Papers

[Revenue Budget and Proposed Council Tax for 2022/2023 and Medium Term Financial Plan](#)
(2nd March 2022 Council).

[Budget Planning Framework and MTFP 2023/2024 - 2026/2027](#)
(13th October 2022 Cabinet)

Savings Proposals

Leader

Saving Proposal Area	Description	2023/24	2024/25	2025/26	2026/27
Policy & Partnerships	Review of subscriptions to support bodies and networks.	24,327			
Corporate Affairs & Communications	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.	43,440		13,500	
Total – Leader		67,767	0	13,500	0

Deputy Leader and Clean Green City

Saving Proposal Area	Description	2023/24	2024/25	2025/26	2026/27
Economic Regeneration	Review of team staffing arrangements and deletion of vacant posts.	220,830			
Economic Regeneration	Reduced Staffing Costs in Business Centres.	11,519			
Economic Regeneration	Reduction in foreign travel costs.	5,274			
Environmental Services Fleet	Savings in vehicle and equipment lease charges following purchases via the capital programme.		312,515		222,221
Total – Deputy Leader and Clean Green City		237,623	312,515	0	222,221

Cabinet Secretary

Saving Proposal Area	Description	2023/24	2024/25	2025/26	2026/27
Finance, Revenues and Benefits	Housing benefit - overpayment recovery and deletion of vacant posts.	456,988	(200,000)	(100,000)	
Finance, Revenues and Benefits	Revenues - Reduction in costs of cash collection arrangements.	50,000			
Finance, Revenues and Benefits	Corporate Management - Deletion of vacant posts and reduction in historic pensions budget.	263,652			
Finance, Revenues and Benefits	Finance - Increase in income for finance service activity.	40,000			
Audit, Risk, Procurement and Insurance	Insurances - Deletion of vacant post within Insurance team, increased external charging and reduction in insurance fund provision.	167,462			
Audit, Risk, Procurement and Insurance	Procurement - Reduction in invoice scanning contract costs.	10,000			
Audit, Risk, Procurement and Insurance	Audit, Risk and Assurance - Review of audit, risk and assurance team staffing arrangements.	21,574			
Property Services including catering and cleaning	Review of Catering and Cleaning provision and staffing arrangements.	128,776			
Property Services including catering and cleaning	Reduction in repairs and renewals budget.	150,000			
Property Services including catering and cleaning	Civic Buildings - New or increased charges to property users.	15,000			
Property Services including catering and cleaning	Asset Management - New or increased charges to service users.	50,000			
ICT	Review of ICT staffing structure, cessation of support contracts no longer required and reductions in consultancy costs and fibre contract costs.	339,288			
Legal Services	Review of legal services staffing arrangements alongside charging capital projects where appropriate for legal advice.	120,464			

Corporate Support Service	Review of Corporate Support Service staffing arrangements through the removal of vacant posts and operating model efficiencies.	192,378			
Customer Services Network	Review of Customer Services Network team staffing arrangements and supplies and services budget reduction	161,968			
Members Support	Realignment of member support budget in line with current expenditure levels.	30,000			
Strategic and Operational HR	Further savings associated with functions transitioning following the Thinking Operating Model review.	67,134			
Registration Services	Maximisation of income from Registration Services.	35,761			
Electoral Services	Removal of vacant 0.5 FTE post from electoral services team		12,313		
Total – Cabinet Secretary		2,300,445	(187,687)	(100,000)	0

Children, Learning and Skills

Saving Proposal Area	Description	2023/24	2024/25	2025/26	2026/27
Education Pensions	Reduction in historic pensions costs	150,000			
Total – Children, Learning and Skills		150,000	0	0	0

Dynamic City

Saving Proposal Area	Description	2023/24	2024/25	2025/26	2026/27
Housing Options Team	Increased income from external grants.	140,232			
Regulatory Services	Increased fee income generated from Building Control and Development Control activity.	80,000			
Regulatory Services	Review of Regulatory services team staffing arrangements.	50,000			
Silgion Distribution	Temporary increased distribution from Siglion	2,000,000			(2,000,000)
Street Lighting	Increased ongoing utilisation of the Street Lighting Smoothing reserve.	500,000			
Regeneration Properties	Review of regeneration property portfolio income.	265,000			
Total - Dynamic City		3,035,232	0	0	(2,000,000)

Healthy City

Saving Proposal Area	Description	2023/24	2024/25	2025/26	2026/27
Public Health Joint Commissioning	Increased Public Health Grant investment.	15,000			
Intermediate Care (SCAS)	Reduction in LA therapy support to Farmborough Court and rededicate therapy team to delivering rehabilitation to people in their own home.	100,000	50,000		
Reablement (SCAS)	Cease contribution to Reablement Services, and cease directly providing extra care reablement apartments.	764,000	381,000		
Community equipment Store	Joint review of community equipment with partners to reduce the catalogue list for prescribers.	33,333	16,667		
Adult Social Care - Home Care	Reduce reliance on traditional services and further develop strength based, digital solutions etc for services in people's homes and reduce number of out of city placements.	2,501,139			
Adult Social Care - Residential	Using intervention measures to reduce the number of admissions to permanent care by 1%.	347,000			

Adult Social Care	Review essential car user payments to all adult social care staff.	0	215,000		
Adult Social Care	Increase contribution income through annual inflationary uplift on NHS contracts (CPI).	200,000			
Adult Social Care	Alongside ICB review approach to commissioning arrangements for Continuing Health Care	333,333	166,667		
Adult Social Care	Review of Adult Social Care Reserves (one off)	500,000	(500,000)		
Adult Social Care	Average recovery of Direct Payment surplus per annum	400,000			
Home Improvement Agency (SCAS)	Cease paying for annual maintenance of Fixed Mechanical Equipment (FME) when manufacturer's guarantee runs out.	128,000	64,000		
Sunderland Safeguarding Adults Board (SSAB)	Review of Sunderland Safeguarding Adults Board arrangements.		42,000		
Total - Healthy City		5,321,805	435,334	0	0

Vibrant City

Saving Proposal Area	Description	2023/24	2024/25	2025/26	2026/27
Community Sport and Physical Activity	Review of service area budget and increased investment from Public Health grant funding.	52,000			
Sport and Leisure Facilities	Review of service provision and budgets within Sport and Leisure including increased investment from Public Health grant funding.	90,000			
Tourism	Reduced extent and / or frequency of publications, signage, etc.	25,000			
Total – Vibrant City		167,000	0	0	0