

**CABINET MEETING – 18 JANUARY 2024**

**EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

Revenue Budget Third Review 2023/2024

**Author(s):**

Director of Finance

**Purpose of Report:**

The report advises Cabinet of the overall Revenue Budget position following the third revenue review for 2023/2024 including proposed contingency transfers.

**Description of Decision:**

Cabinet is recommended to:

- Note the contents of the report; and
- Approve the contingency transfers proposed at Section 3.4.

**Is the decision consistent with the Budget/Policy Framework?** Yes

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

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

To respond to variations in expenditure and income which have arisen in 2023/2024 and enable effective budgetary control to be exercised.

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

No alternative options are proposed.

**Impacts analysed;**

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

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

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

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

## REVENUE BUDGET THIRD REVIEW FOR 2023/2024

## Director of Finance

**1. Purpose of Report**

- 1.1 The report advises Cabinet of the overall Revenue Budget position following the third review for 2023/2024 including proposed contingency transfers.

**2. Description of Decision (Recommendations)**

- 2.1 Cabinet is recommended to:

- Note the contents of the report; and
- Approve the contingency transfers proposed at Section 3.4.

**3. Revenue Budget Monitoring 2023/2024****3.1 Overall Position**

- 3.1.1 The budget for 2023/2024 was approved by Council in February 2023. A full review has been undertaken for each Portfolio, together with contingency allocations proposed for the third quarter.
- 3.1.2 At this stage in the financial year the forecast outturn position reflects the challenge the Council faces in delivering savings approved by Council in order to balance the budget, known areas of pressure, and the ongoing impact of elevated inflation levels which is driving the cost-of-living crisis. The financial consequences of the latter are factored into the position where known, but a degree of caution should be noted due to the uncertainties in the economy for the remainder of the financial year.
- 3.1.3 The overall forecast outturn position for 2023/2024 is a balanced position after utilising £0.368m of the Energy and General Inflation Reserve. The position is summarised in the table below, with further detail provided within Appendix A, Appendix B, and the remainder of Section 3 below.

Area of Variance	Para reference	Variance Underspend / (Overspend) £m
Delegated Forecast Outturn	3.3	(7.568)
Pay Pressure	3.1.8	(2.200)
Energy	3.1.10	2.400
Contingency Transfers	3.4	0.000
Debt Charge Savings	3.6	2.500
Treasury Management Savings	3.6	4.500
<b>Forecast Outturn position</b>		<b>(0.368)</b>
Use of Energy and General Inflation Reserve		<b>0.368</b>
<b>Forecast Outturn position (after use of reserve)</b>		<b>0.000</b>

3.1.4 The Council's financial position is being adversely impacted by pressures of continued high inflation which is compounding the cost-of-living crisis, and from the legacy impact from the Covid-19 pandemic. The Council's social care services continue to experience both demand pressures, challenges around complex cases and cost increases from providers looking to mitigate inflationary pressures they are experiencing. Average fee increases in the region of 12% have been agreed with adult social care providers for 2023/2024, with the shortfall beyond the amount included within the base budget being drawn from the contingency provision. Within Children's services alongside external placement cost pressures, home to school transport cost increases and unfunded costs relating to unaccompanied asylum seeker children are adversely impacting on the financial position.

3.1.5 Other council services continue to experience inflationary pressures through service contracts and the costs of acquiring goods and materials.

#### Pay Pressures

3.1.6 All pay awards for the 2023/2024 financial year have been agreed. The Local Government pay award was an increase of £1,925 on all NJC pay points which equates to a minimum 3.88% increase for all staff on the NJC pay spine and significantly higher increases for staff on lower points in the NJC pay spine. Pay award offers of 3.5% have been accepted for JNC Chief Officer employees and Chief Executives.

3.1.7 Provision for a 5% pay award was factored in to the 2023/2024 approved budget. In addition to this provision, the agreed pay awards have created an additional cost pressure of £2.200m for the Council and its wholly owned companies.

#### Energy

3.1.8 The Russian invasion of the Ukraine created significant uncertainty in the global economy, particularly in the energy markets. Higher than expected global energy and goods prices have already led to an unavoidable increase in the cost of living in the UK through significant rises in inflation levels.

3.1.9 During the preparation of the 2023/2024 budget, significant inflationary increases were provided for in respect of the Council's energy requirements, based on the forecast prices at that time. Wholesale prices have since reduced, leading to a revised, lower, forecast cost for 2023/2024. At present an underspend of £2.400m is anticipated.

#### General Pressures

3.1.10 It should be noted that the financial impact of the cost-of-living crisis on the City's residents and businesses could result in a deficit position on the council tax and / or business rates collection funds. Any deficit will not impact on the current year's general fund position but would need to be taken into account in the budget setting process for 2024/2025.

#### 3.2 Budget Transfers

3.2.1 Budget transfers undertaken at the third review primarily reflect the need to realign budgets to ensure correct accountability of the approved budget. These are set out in Appendix A.

### 3.3 Portfolio Budgets – Overall Summary

- 3.3.1 Details of the forecast major variations for each portfolio, are set out at Appendix A. In overall terms there is currently a forecast delegated net service pressure of £7.568m, inclusive of the savings plan position detailed at Section 3.3.2 below.
- 3.3.2 Progress in the implementation of the £13.379m approved savings plans for 2023/2024 has continued and overall shows positive progress. The position is positive for this stage of the financial year given the demands and pressures services are experiencing. Portfolio holders and Directors continue to take the necessary action to mitigate any delays in implementation and, as such, the position is expected to improve as the year progresses.
- £8.487m (63%) of the savings have been fully realised to date.
  - £2.703m (20%) of reductions where good progress is being made, with a good prospect that full savings will be achieved.
  - £2.190m (16%) is in respect of areas where delays and issues have been encountered, hence where corrective actions or alternative options are being considered, which require close attention to ensure a positive outcome and timely delivery of savings. For budget monitoring purposes these are included as a forecast outturn pressure within the delegated budgets if appropriate.
- 3.3.3 Transitional reserves continue to be held to meet any profiling delays in the implementation of the 2023/2024 savings plans and any additional pressures arising.
- 3.3.4 The forecast position for the Local Authority Controlled Companies is included within the delegated budget outturn within the relevant portfolio at Appendix A, and budgetary issues highlighted as required.

### 3.4 General Contingency Transfers

- 3.4.1 Transfers from the general contingency fund take place on a quarterly basis to reflect expenditure actually incurred in respect of approved provisions. Third quarter contingency transfers, totalling £7.238m have been enacted as follows:
- Local Government Pay Award (£7.238m)  
Drawdown from provision to meet the impact of the Local Government pay award.
- 3.4.2 At this stage, the forecast outturn set out within the report is on the basis that the remaining contingencies are fully utilised during 2023/24.

### 3.5 Transitional costs

- 3.5.1 The potential need to utilise capital receipt flexibility to fund transitional costs arising in 2023/2024 will be confirmed at outturn, in light of the overall resources position at that time. At this stage, no unbudgeted transitional costs are forecast to be incurred during 2023/2024.

### 3.6 Debt Charge and Treasury Management Savings

- 3.6.1 Net one-off savings on debt charges of £2.500m are anticipated at this stage. This reflects the position reported in the Capital Programme Third Review, elsewhere on the agenda, which confirms the reprofiling of expenditure for some schemes. It is proposed that any savings at outturn be utilised to support the overall Council position and Capital Programme.

- 3.6.2 Additional Investment income of £4.500m, is forecast to be achieved. The rates of return available in the investment market in 2023/2024 have increased significantly following the continued increases in the Bank of England base rate. Consequently, and reflecting the increased availability of cash, significantly greater investment returns are being generated above the budget for this financial year. As cash balances reduce and investment rates decline lower investment returns will be realised in subsequent years.

#### **4. Review of Existing Reserves**

- 4.1 Following a full review of planned usage, the Council's reserves are forecast to decrease by £53.252m in 2023/2024 to £160.423m as reserves are utilised for their agreed purpose, including in support of the capital programme.
- 4.2 With the exception of the General Fund, useable reserves are earmarked for specific purposes and commitments, and are subject to regular review.

#### **5. Collection Fund**

- 5.1 **Business Rates**  
The budget sets out a Local Business Rate requirement of £46.925m. As reported when setting the budget, a further Retail, Hospitality and Leisure reliefs scheme was announced by Government for 2023/2024, this has reduced the collectable business rates for this year. However, the Council will be fully compensated for this reduction through Section 31 grant. Collection is as expected for this stage in the financial year and a balance budget currently forecast. The position will be kept under review, and further updates provided in future review reports.
- 5.2 **Council Tax**  
The budget sets out a Council Tax requirement of element of £120.584m. Based on current forecasts a balanced budget is anticipated. As with Business Rates, should a shortfall arise, this would manifest itself as a deficit to be taken into account in setting the 2024/2025 budget. The position will be kept under review, and further updates provided in future review reports.

#### **6. Reasons for Decision**

- 6.1 To respond to variations in expenditure and income which have arisen in 2023/2024 and enable effective budgetary control to be exercised.

#### **7. Alternative Options**

- 7.1 No alternative options are proposed.

#### **8. Impact Analysis**

- 8.1 Impact assessments of Directorate actions to ensure the achievement of savings targets and a balanced budget position will be undertaken within Directorates as each action is developed.

#### **9. Other Relevant Considerations / Consultations**

- 9.1 None

**10. List of Appendices**

- Appendix A - 3<sup>rd</sup> Review Variations 2023/2024
- Appendix B - Overall Position 2023/2024
- Appendix C - Earmarked Reserves

**11. Background Papers**

None

**Cabinet Meeting 18 January 2024  
Major Variations 2023/2024**

Portfolio	Second Review Budget £m	Contingency Transfers £m	Budget Adjustments £m	Current Revised Budget £m	Forecast Outturn £m	Forecast Variation Under / (Over) Spend £m	Reason for Variation
Leader	1.294	0.110	(0.002)	1.402	1.506	(0.104)	<ul style="list-style-type: none"> <li>Forecast (£0.104m) overspend due to a small number of variations offset by savings on staffing.</li> </ul>
Deputy Leader and Clean Green City Portfolio Holder	46.969	1.297	0.022	48.288	46.825	1.463	<ul style="list-style-type: none"> <li>Business and Investment - £0.324m underspend primarily linked to improved Business Centres income and staffing underspend.</li> <li>Local Services - (£0.032m) undeliverable staff turnover savings.</li> <li>Waste Collection and Recycling - forecast overspend of (£0.183m) primarily due to undeliverable staff turnover savings.</li> <li>Waste disposal – forecast underspend of £0.516m through the Materials Recovery Facility contract and reduced tonnages through the Waste Disposal Partnership facility.</li> <li>Bereavement – forecast overspend of (£0.130m) due to the cost of implementing Digital Cemetery Mapping (£0.065m) and the emergency relining of cremators (£0.060m)</li> <li>Public Protection and Regulatory Services £0.197m forecast salary underspend partially reduced by income shortfalls.</li> <li>Fleet - (£0.225m) overspend primarily due to increased costs and undeliverable staff turnover savings.</li> <li>Port of Sunderland - £1.012m underspend primarily due to improved trading performance and expenditure reductions.</li> <li>Other minor variations on a number of service areas have created a forecast overspend of (£0.016m).</li> </ul>

## Appendix A (continued)

Portfolio	Second Review Budget £m	Contingency Transfers £m	Budget Adjustments £m	Current Revised Budget £m	Forecast Outturn £m	Forecast Variation Under / (Over) Spend £m	Reason for Variation
Cabinet Secretary	35.443	2.193	0.065	37.701	37.390	0.311	<ul style="list-style-type: none"> <li>• Building Cleaning £0.094m underspend projected due to additional income and underspending on salaries.</li> <li>• Civic Catering (£0.040m) relating to inflationary cost pressures on food supplies.</li> <li>• Corporate and Strategic Management (£0.031m) overspend due to the increased cost of historic pension enhancements compared to previous year.</li> <li>• Depots fixtures and fittings for new depot resulting in a projected overspend of (£0.076m).</li> <li>• Financial Management £0.100m underspend due to realignment of budget and salary slippage.</li> <li>• Procurement £0.092 underspend due to staffing slippage, additional income.</li> <li>• Revenues £0.042m underspend due to staffing slippage.</li> <li>• Corporate Services Support £0.125m underspend due to salary slippage.</li> <li>• Information Governance (£0.053m) overspend relating to unachieved land charges income offset by an underspend on supplies and services.</li> <li>• Minor under and overspends across a number of service areas totalling a net £0.058m underspend.</li> </ul>



## Appendix A (continued)

Portfolio	Second Review Budget £m	Contingency Transfers £m	Budget Adjustments £m	Current Revised Budget £m	Forecast Outturn £m	Forecast Variation Under / (Over) Spend £m	Reason for Variation
<b>Children, Learning and Skills</b>	<b>88.500</b>	<b>0.120</b>	<b>0.000</b>	<b>88.620</b>	<b>93.696</b>	<b>(5.076)</b>	<ul style="list-style-type: none"> <li>• Together for Children (TfC) - The TfC Board is responsible for monitoring the financial position of the company, with updates provided to the Council through the established contract performance monitoring arrangements. At this stage in the financial year (£5m) of pressures have been identified linked to social care / external placement cost pressures, home to school transport cost increases and unfunded costs relating to unaccompanied asylum seeker children.</li> <li>• Derwent Hill projected deficit is (£0.156m) due to the cost impact of high inflation on supplies and services and income projections.</li> <li>• Retained Activity – Schools and Learning £0.080m underspend linked to additional grant received and reduced historic teacher pension payments.</li> </ul>
<b>Dynamic City</b>	<b>28.155</b>	<b>0.955</b>	<b>(0.020)</b>	<b>29.090</b>	<b>30.060</b>	<b>(0.970)</b>	<ul style="list-style-type: none"> <li>• Building Control forecast deficit of (£0.150m) mainly as a result of income pressures in particular against site inspections.</li> <li>• Commercial Development (£0.443m) relating to the Hillthorn Farm development shortfall on rent and other associated fees.</li> <li>• Infrastructure and Transportation £0.100m underspend linked to increased forecast income of £0.350m from bus shelter advertising and £0.320m forecast staffing underspend from vacancies offset by reduced forecast fee income recovery (£0.570m).</li> <li>• Parking Services – forecast shortfall on income collection of (£0.280m) based on recent usage trends and inclusive of known provision changes.</li> <li>• Access to Housing – forecast overspend of (£0.207m) from a lower level of Homelessness Prevention Grant (£0.080m) and (£0.127m) linked to Housing Strategy activity.</li> <li>• Other minor net underspends totalling £0.010m.</li> </ul>

## Appendix A (continued)

Portfolio	Second Review Budget £m	Contingency Transfers £m	Budget Adjustments £m	Current Revised Budget £m	Forecast Outturn £m	Forecast Variation Under / (Over) Spend £m	Reason for Variation
Healthy City	126.265	2.288	(0.012)	128.541	131.972	(3.431)	<ul style="list-style-type: none"> <li>Adult Social Care - net overspend of (£3.239m) resulting from demand related cost pressures of (£3.179m) from packages of care, (£0.167m) delayed achievement of an efficiency saving relating to the CHC Commissioning role with Health, partially offset by staffing underspends of £0.107m.</li> <li>Strategic Commissioning (£0.192m) staffing overspend due to additional allowances and delay in Fixed Mechanical Equipment implementation now planned for April 2024.</li> </ul>
Vibrant City	15.313	0.275	(0.053)	15.535	15.296	0.239	<ul style="list-style-type: none"> <li>Forecast staffing underspends across a number of service areas including Environmental Enforcement, Heritage and Arts and Creative Development.</li> </ul>
Total Service (Delegated) Outturn	341.939	7.238	0.000	349.177	356.745	(7.568)	

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**Overall Position 2023/2024**

	Second Review Budget £m	Budget Adjustments £m	Current Budget £m	Forecast Outturn £m	Variance Under / (Over) Spend £m
Leader Portfolio	1.294	0.108	1.402	1.506	(0.104)
Deputy Leader and Clean Green City Portfolio Holder	46.969	1.319	48.288	46.825	1.463
Cabinet Secretary Portfolio	35.443	2.258	37.701	37.390	0.311
Children, Learning and Skills Portfolio	88.500	0.120	88.620	93.696	(5.076)
Dynamic City Portfolio	28.155	0.935	29.090	30.060	(0.970)
Healthy City Portfolio	126.265	2.276	128.541	131.972	(3.431)
Vibrant City Portfolio	15.313	0.222	15.535	15.296	0.239
<b>Total Service (Delegated) Expenditure</b>	<b>341.939</b>	<b>7.238</b>	<b>349.177</b>	<b>356.745</b>	<b>(7.568)</b>
Provision for General Contingencies	14.495	(7.238)	7.257	7.257	0.000
Unfunded Pay Pressure	0.000	0.000	0.000	2.200	(2.200)
Energy Saving	0.000	0.000	0.000	(2.400)	2.400
Capital Financing Costs	26.821	0.000	26.821	19.821	7.000
Transfer to / from Reserves	(9.374)	0.000	(9.374)	(9.374)	0.000
Technical Adjustments	(61.952)	0.000	(61.952)	(61.952)	0.000
Levies	16.825	0.000	16.825	16.825	0.000
Hetton Town Council	0.072	0.000	0.072	0.072	0.000
Less Grants	(81.656)	0.000	(81.656)	(81.656)	0.000
<b>Total Net Expenditure</b>	<b>247.170</b>	<b>0.000</b>	<b>247.170</b>	<b>247.538</b>	<b>(0.368)</b>
Revenue Support Grant	(32.471)	0.000	(32.471)	(32.471)	0.000
National Non-Domestic Rates / Retained Business Rates	(46.925)	0.000	(46.925)	(46.925)	0.000
Top Up Grant	(47.190)	0.000	(47.190)	(47.190)	0.000
Council Tax Requirement	(120.584)	0.000	(120.584)	(120.584)	0.000
<b>Net Revenue Pressure</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.368</b>	<b>(0.368)</b>
Energy and General Inflation Reserve	0.000	0.000	0.000	0.000	0.368
<b>Forecast Outturn (after use of reserve)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.368</b>	<b>0.000</b>



## Cabinet Meeting 18 January 2024 Earmarked Reserves

Reserves	Purpose of the Reserve	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
<b>General Fund</b>										
General Fund	General Fund of the Council	12.000	0.350	12.350	0.000	12.350	0.000	12.350	0.000	12.350
School Balances	Balances held by schools under a scheme of delegation	7.188	(1.043)	6.145	(1.514)	4.631	(1.500)	3.131	(1.500)	1.631
<b>Earmarked General Fund Reserves – Capital</b>										
Riverside Transfer	Reserve established to fund capital works associated with the Homes and Communities Agency land transferred to the Council.	9.033	(8.934)	0.099	0.000	0.099	0.000	0.099	0.000	0.099
Capital Priorities Reserve	A reserve established to address some of the Council's key capital developments and strategic priorities.	5.642	(2.500)	3.142	(0.025)	3.117	(0.050)	3.067	(3.067)	0.000
Section 106 Reserves	Under Section 106 of the Town and Country Planning Act 1990, developers make financial contributions to the Council relating to affordable housing, public open spaces including allotments and locally equipped play parks, educational facilities, highways and public transport improvements, sports and recreational facilities and environmental improvements.	11.672	0.565	12.237	0.137	12.374	(1.800)	10.574	(1.800)	8.774
Strategic Investment Reserve (Capital)	A reserve established to address some of the Council's key developments, strategic priorities and address other major liabilities.	1.437	(0.721)	0.716	(0.716)	0.000	0.000	0.000	0.000	0.000
Commercial and Economic Development Activity	Reserve established to take advantage of commercial and economic development opportunities that will meet priorities of the Council.	0.730	(0.730)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Culture Development	To support a range of cultural developments in the city centre, utilising smart cities technology and immersive technologies.	3.000	0.000	3.000	0.000	3.000	(3.000)	0.000	0.000	0.000
Other Earmarked Capital Reserve	Funding set aside to fund future capital projects previously approved.	2.078	(0.414)	1.664	0.028	1.692	0.185	1.877	0.208	2.085

## Appendix C (continued)

Reserves	Purpose of the Reserve	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
<b>Earmarked General Fund Reserves – Revenue</b>										
Medium Term Planning Smoothing Reserve	This reserve has been established to address any potential impact arising from increased risk and uncertainty with the Business Rate Retention Scheme. It is being used to smooth the impact of government funding uncertainties.	34.601	(9.000)	25.601	(9.000)	16.601	(9.000)	7.601	(7.601)	0.000
Strategic Regeneration Reserve	A reserve to support the Council's regeneration ambitions, specifically to smooth any revenue impact of projects until they become self-sustaining.	10.557	(1.964)	8.593	(1.016)	7.577	(0.800)	6.777	(0.300)	6.477
Strategic Investment Reserve (Revenue)	A reserve established to address some of the Council's key developments, strategic priorities and address other major liabilities.	5.558	(1.534)	4.024	(2.979)	1.045	(1.045)	0.000	0.000	0.000
Insurance Reserve	This reserve has been established to provide for potential future claims or claim increases.	6.236	0.000	6.236	0.000	6.236	0.000	6.236	0.000	6.236
Street Lighting and Highway Signs PFI Smoothing Reserve	The reserve was established to smooth the financial impact to the Council across the 25 years of the contract life.	4.121	(0.699)	3.422	(0.685)	2.737	(0.734)	2.003	(0.685)	1.318
SIB Reserve	A reserve held to fund future allocations through the Strategic Initiatives Budget.	4.499	(0.125)	4.374	(1.000)	3.374	(1.000)	2.374	(1.000)	1.374
Public Health Grant	Ringfenced Public Health grant funding, to deliver future public health initiatives.	6.277	(0.060)	6.217	(2.020)	4.197	(2.912)	1.285	(1.285)	0.000
Smart Cities	This reserve was established to set aside revenue funding to cover 8-10 years, to support 5G and Wireless connectivity within the city.	3.894	(0.300)	3.594	(0.400)	3.194	(0.500)	2.694	(0.500)	2.194
Streetscene and Open Space	A reserve to enhance the city's recovery from the covid pandemic and ensure that the full benefit can be made of the regeneration activities across the city. This reserve will fund a range of streetscene and open space projects.	6.762	(1.882)	4.880	(2.542)	2.338	(2.338)	0.000	0.000	0.000
HCA Stadium Park	Reserve established to fund ongoing maintenance of Homes and Communities Agency land transferred to the Council.	3.109	0.000	3.109	0.000	3.109	0.000	3.109	0.000	3.109
Transformation Reserve	To support the changes that are likely to be required over the next 12-18 months to address financial pressures and MTFP challenges.	1.715	(1.202)	0.513	(0.513)	0.000	0.000	0.000	0.000	0.000
Education Redundancy Reserve	The reserve was established to meet the anticipated costs of redundancies as a result of falling pupil rolls within maintained schools.	2.353	(0.129)	2.224	(0.100)	2.124	(0.100)	2.024	(0.100)	1.924
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	(0.838)	1.313	(0.754)	0.559	(0.368)	0.191	(0.191)	(0.000)
Low Level Family Support	Reserve to support activities with families and individuals to address the challenges of recovering from the pandemic.	3.496	(1.293)	2.203	(1.344)	0.859	(0.282)	0.577	(0.119)	0.458

## Appendix C (continued)

Reserves	Purpose of the Reserve	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
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	(1.533)	0.000	0.000	0.000	0.000	0.000
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.	1.296	(0.250)	1.046	(0.250)	0.796	(0.250)	0.546	(0.250)	0.296
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
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	(0.500)	0.700	(0.200)	0.500	(0.200)	0.300	(0.200)	0.100
Riverside Transfer	Reserve established to fund ongoing maintenance of Homes and Communities Agency land transferred to the Council.	0.997	(0.115)	0.882	(0.105)	0.777	(0.105)	0.672	(0.105)	0.567
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.	1.390	(0.204)	1.186	(0.204)	0.982	(0.204)	0.778	(0.204)	0.574
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.	10.520	(4.821)	5.699	(4.344)	1.355	(1.355)	0.000	0.000	0.000
Energy and General Inflation	Reserve established in response to significant inflationary pressures expected to impact council services in the short to medium term	9.371	(0.368)	9.003	(4.500)	4.503	(4.503)	0.000	0.000	0.000
Member Recovery Fund	Members Covid Response fund	1.000	(1.000)	0.000	0.000	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.	20.562	(5.230)	15.332	(5.548)	9.784	(2.582)	7.202	(1.172)	6.030
<b>Total General Fund Reserves</b>		<b>197.231</b>	<b>(44.941)</b>	<b>152.290</b>	<b>(41.127)</b>	<b>111.163</b>	<b>(34.443)</b>	<b>76.720</b>	<b>(19.871)</b>	<b>56.849</b>
Capital Receipts Reserve	Balance of capital receipts held, pending use to fund the capital programme.	10.743	(2.610)	8.133	(2.382)	5.751	(1.561)	4.190	(4.190)	0.000
Capital Grants Unapplied	Balance of capital grants held pending expenditure on capital programme.	5.701	(5.701)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Usable Reserves</b>		<b>213.675</b>	<b>(53.252)</b>	<b>160.423</b>	<b>(43.509)</b>	<b>116.914</b>	<b>(36.004)</b>	<b>80.910</b>	<b>(24.061)</b>	<b>56.849</b>

