

# Sunderland City Council

CITY HALL,  
SUNDERLAND.  
16 February 2024.

## TO THE MEMBERS OF SUNDERLAND CITY COUNCIL

**YOU ARE SUMMONED TO ATTEND A MEETING** of Sunderland City Council to be held in the **Council Chamber, City Hall, Plater Way, Sunderland, SR1 3AA** on **WEDNESDAY 28 FEBRUARY 2024 at 4.00pm** at which it is proposed to consider and transact the following business: -

- |    |   |     |
|----|---|-----|
| 1. | To read the Notice convening the meeting.   | -   |
| 2. | Apologies.  | -   |
| 3. | To approve the minutes of the last ordinary meeting of the Council held on 24 January 2024 (copy attached).   | 1   |
| 4. | Receipt of Declarations of Interest (if any).   | -   |
| 5. | Announcements (if any) under Rule 2(e).   | -   |
| 6. | Report of the Cabinet.  | 17  |
|    | (i) Capital Programme 2024/2025 to 2027/2028 and Treasury Management Policy and Strategy 2024/2025, including Prudential Indicators for 2024/2025 to 2027/2028. | 27  |
|    | (ii) Revenue Budget and Proposed Council Tax for 2024/2025 and Medium-Term Financial Plan 2024/2025 to 2027/2028.   | 137 |
|    | (iii) Determination of Council Tax 2024/2025.   | -   |

A handwritten signature in black ink that reads "P. Melia". The signature is written in a cursive style with a large, looped initial "P" and a period following it.

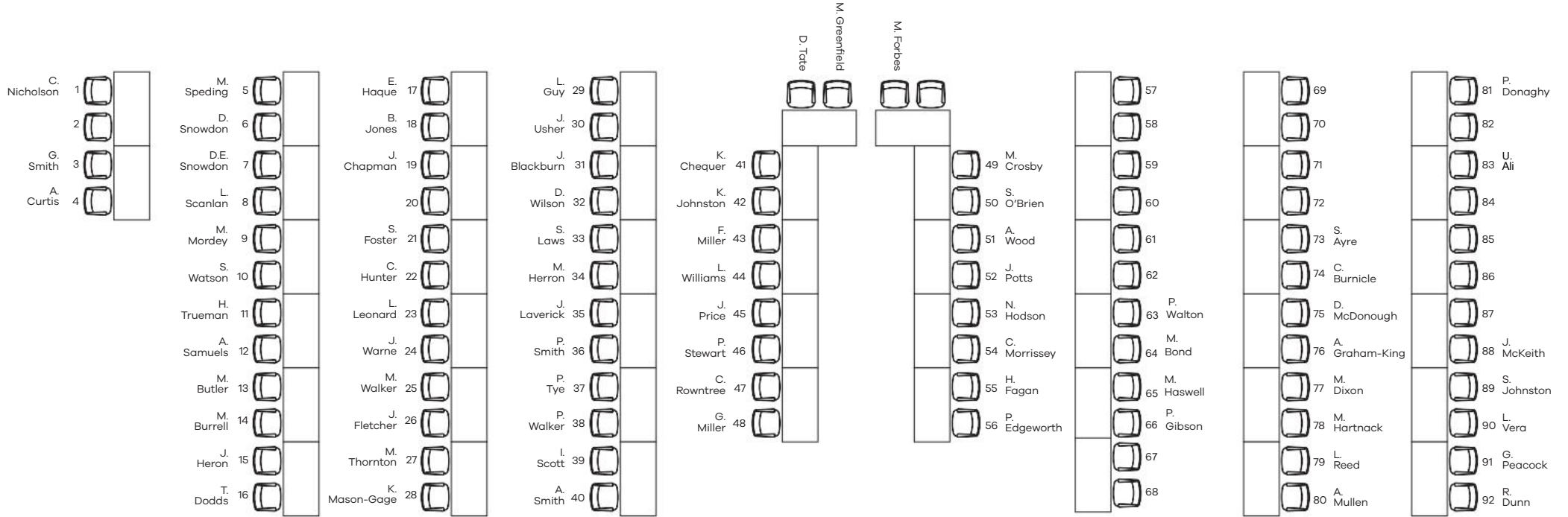
**PATRICK MELIA, CHIEF EXECUTIVE.**

It is intended that the meeting will be livestreamed for the public to view on the Council's YouTube channel at <https://youtube.com/live/hSD4rl-yjEM?feature=share>

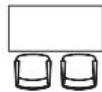
### Chief Officer seating



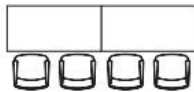
### Honorary Aldermen



### AV Access



### Governance Services





# ***Minutes***



## Sunderland City Council

At a meeting of SUNDERLAND CITY COUNCIL held in the COUNCIL CHAMBER, CITY HALL, SUNDERLAND on WEDNESDAY 24 JANUARY 2024 at 4.00pm

**Present:** The Mayor (Councillor D Trueman) in the Chair  
The Deputy Mayor (Councillor A Chisnall)

|             |           |             |           |              |
|-------------|-----------|-------------|-----------|--------------|
| Councillors | Ayre      | Foster      | McKeith   | Smith, P     |
|             | Blackburn | Gibson      | Miller, F | Snowdon, D   |
|             | Bond      | Guy         | Miller, G | Snowdon, D E |
|             | Burrell   | Haque       | Mordey    | Speding      |
|             | Butler    | Hartnack    | Morrissey | Thornton     |
|             | Chapman   | Haswell     | Mullen    | Trueman, H   |
|             | Chequer   | Heron       | O'Brien   | Tye          |
|             | Crosby    | Herron      | Peacock   | Usher        |
|             | Curtis    | Johnston, K | Price     | Vera         |
|             | Dixon     | Johnston, S | Reed      | Walker, M    |
|             | Dodds     | Laverick    | Rowntree  | Walker, P    |
|             | Dunn      | Laws        | Scanlan   | Walton       |
|             | Edgeworth | Leonard     | Scott     | Warne        |
|             | Fagan     | Mason-Gage  | Smith, A  | Williams     |
|             | Fletcher  | McDonough   | Smith, G  | Wood         |

The notice convening the meeting was read.

### Apologies

Apologies for absence were submitted to the meeting on behalf of Councillors Burnicle, Donaghy, Graham-King, Hodson, Hunter, Jones, Nicholson, Potts, Samuels, Stewart, Watson and Wilson together with Honorary Aldermen Forbes, Greenfield and Tate.

### Minutes

Councillor Reed requested the minutes be amended to reflect that Councillor McKeith had been in attendance at the meeting on 15 November 2023.

- 39. RESOLVED** that, subject to the above amendment, the minutes of the meeting of the Council held on 15 November 2023 be confirmed and signed as a correct record.

### Declarations of Interest

There were no declarations of interest.

## Announcements

There were no announcements on this occasion.

## Outstanding Motions from the last ordinary meeting of the Council

### (i) Notice of Motion – Amendment to Sunderland City Council Constitution (Part 2 Article 10 Area Committees)

Councillor Mullen, duly seconded by Councillor Edgeworth moved the following motion: -

“To amend Part 2, Article 10 of the Constitution as follows. To insert under ‘Terms of Reference’ - contained within the table located at 10.02 (a) (Form, Composition and Function) – an additional bullet point beneath "To support delivery of these objectives the Area Committee may..." which reads

- decide how funding allocated to the Area Committee in the annual Council budget should be structured and disseminated, including allocating ward-based budgets.”

Upon being put to the vote the motion was defeated with 21 Members voting in favour: -

|             |           |             |           |        |
|-------------|-----------|-------------|-----------|--------|
| Councillors | Ayre      | Fagan       | McKeith   | Vera   |
|             | Bond      | Gibson      | Morrissey | Wood   |
|             | Crosby    | Hartnack    | Mullen    | Walton |
|             | Dixon     | Haswell     | O'Brien   |        |
|             | Dunn      | Johnston, S | Peacock   |        |
|             | Edgeworth | McDonough   | Reed      |        |

40 Members voting against: -

|             |           |             |            |              |
|-------------|-----------|-------------|------------|--------------|
| Councillors | Blackburn | Guy         | Mordey     | Speding      |
|             | Burrell   | Haque       | Miller, G  | Snowdon, D E |
|             | Butler    | Heron       | Price      | Thornton     |
|             | Chapman   | Herron      | Rowntree   | Trueman, D   |
|             | Chequer   | Johnston, K | Scanlan    | Trueman, H   |
|             | Chisnall  | Laverick    | Scott      | Usher        |
|             | Curtis    | Laws        | Smith, A   | Walker, M    |
|             | Dodds     | Leonard     | Smith, G   | Walker, P    |
|             | Fletcher  | Mason-Gage  | Smith, P   | Warne        |
|             | Foster    | Miller, F   | Snowdon, D | Williams     |

Accordingly it was: -

**40. RESOLVED** that the motion be defeated.



**(ii) Notice of Motion – Bringing the Metro to Hendon, Grangetown, Ryhope and beyond**

Councillor Wood, duly seconded by Councillor Morrissey, moved the following motion: -

“This council:

- supports efforts to re-open the Leamside Line, and to extend Tyne and Wear Metro services to Washington.
- regrets the Government’s U-turn on committing to re-opening the Leamside Line less than 24 hours after the announcement was made.
- Supports extending the Tyne and Wear Metro to reach more of Sunderland. To ensure a route through Hendon, and Grangetown to Ryhope. To ensure a route so Doxford Park has a station.
- Believes that extending the Metro across Sunderland is of equal importance as reopening the Leamside Line in developing our vibrant city.

Council therefore resolves to ask the Chief Executive to write to relevant regional transport authorities, and to the Secretary of State for Transport to ask them to prioritise preparing a business case for extending the Metro to Hendon, Grangetown, Ryhope and other parts of Sunderland as a matter of priority, alongside preparing the business case to re-open the Leamside Line.

Councillor Mordey, duly seconded by Councillor G Miller, moved the following amendment: -

- First bullet point delete “supports efforts” and insert “reaffirms our support”
- Third bullet point delete “supports extending” and insert “reaffirms our current policy of supporting the extension of”
- Delete the whole of the last paragraph and replace it with

“Council therefore resolves to ask the Chief Executive to write to the Secretary of State for Transport to ask him to provide the necessary funding for the regional transport body to develop a detailed business case for extending the Metro to Hendon, Grangetown, Ryhope and other parts of Sunderland as a matter of priority, alongside preparing the business case to re-open the Leamside Line.”

**So that the amended motion would read: -**

This Council:

- Reaffirms our support to re-open the Leamside Line, and to extend Tyne and Wear Metro services to Washington.

- regrets the Government's U-turn on committing to re-opening the Leamside Line less than 24 hours after the announcement was made.
- Reaffirms our current policy of supporting the extension of the Tyne and Wear Metro to reach more of Sunderland. To ensure a route through Hendon, and Grangetown to Ryhope. To ensure a route so Doxford Park has a station.
- Believes that extending the Metro across Sunderland is of equal importance as reopening the Leamside Line in developing our vibrant city.

Council therefore resolves to ask the Chief Executive to write to the Secretary of State for Transport to ask him to provide the necessary funding for the regional transport body to develop a detailed business case for extending the Metro to Hendon, Grangetown, Ryhope and other parts of Sunderland as a matter of priority, alongside preparing the business case to re-open the Leamside Line.

Upon being put to the vote, the amendment was carried with: -

51 Members voting in favour: -

|             |           |             |            |              |
|-------------|-----------|-------------|------------|--------------|
| Councillors | Blackburn | Foster      | Miller, G  | Snowdon, D E |
|             | Bond      | Gibson      | Mordey     | Thornton     |
|             | Burrell   | Guy         | Morrissey  | Trueman, D   |
|             | Butler    | Haque       | O'Brien    | Trueman, H   |
|             | Chapman   | Haswell     | Price      | Usher        |
|             | Chequer   | Heron       | Rowntree   | Tye          |
|             | Chisnall  | Herron      | Scanlan    | Walker, M    |
|             | Crosby    | Johnston, K | Scott      | Walker, P    |
|             | Curtis    | Laverick    | Smith, A   | Warne        |
|             | Dodds     | Laws        | Smith, G   | Williams     |
|             | Edgeworth | Leonard     | Smith, P   | Walton       |
|             | Fagan     | Mason-Gage  | Snowdon, D | Wood         |
|             | Fletcher  | Miller, F   | Speding    |              |

0 Members against

And 11 Members abstaining: -

|             |       |             |         |      |
|-------------|-------|-------------|---------|------|
| Councillors | Ayre  | Hartnack    | McKeith | Reed |
|             | Dixon | Johnston, S | Mullen  | Vera |
|             | Dunn  | McDonough   | Peacock |      |

The Mayor then put the substantive motion to the meeting and accordingly it was: -

#### **41. RESOLVED that: -**

This Council:

- Reaffirms our support to re-open the Leamside Line, and to extend Tyne and Wear Metro services to Washington.
- Regrets the Government's U-turn on committing to re-opening the Leamside Line less than 24 hours after the announcement was made.
- Reaffirms our current policy of supporting the extension of the Tyne and Wear Metro to reach more of Sunderland. To ensure a route through Hendon, and Grangetown to Ryhope. To ensure a route so Doxford Park has a station.
- Believes that extending the Metro across Sunderland is of equal importance as reopening the Leamside Line in developing our vibrant city.

Council therefore resolves to ask the Chief Executive to write to the Secretary of State for Transport to ask him to provide the necessary funding for the regional transport body to develop a detailed business case for extending the Metro to Hendon, Grangetown, Ryhope and other parts of Sunderland as a matter of priority, alongside preparing the business case to re-open the Leamside Line.

#### **Reception of Petitions**

- 42. RESOLVED** that the petitions listed below submitted by the Councillors named be received and referred to the appropriate Chief Officer for consideration in accordance with the Council's Petitions Scheme: -

Councillor Haswell – Petition requesting Sunderland City Council to resurface Faraday Grove.

Councillor Haswell – Petition requesting the Council to fund the installation of a Post Box on Fordfield Road close to Dovecote Meadow and Havelock Court.

Councillor Gibson– Petition from residents requesting the Council and Nexus to carry out a review of the decision to re-route the No.4 and 13 bus services which has meant that there is no Stagecoach service along Doxford Park Way between Morrisons and Mill Hill and consider reinstating the service in this area.

Councillor Peacock – Petition from residents to revitalise St Anne's Riverside paths and picnic areas:

1. Invest in repairing uneven paths, installing proper lighting fixtures along walkways, ensuring sturdy benches are available throughout the area (safety improvement);
2. Regularly upkeep of picnic areas including moving grass regularly; providing refuse bins at convenient locations (enhanced maintenance); and

3. To make necessary adjustments such as wheelchair ramps or accessible pathways so that individuals with disabilities can also enjoy our beautiful rivers (accessibility upgrades).

### **Written Questions by Members of the Public under Rule 10**

Pursuant to Rule 10 of the Council Rules of Procedure, the Leader and Members of the Cabinet were asked questions which had been submitted by members of the public.

### **Written Questions by Members of the Council under Rule 11**

Pursuant to Rule 11 of the Council Rules of Procedure, the Leader and Members of the Cabinet were asked questions which had been submitted by Members of the Council.

### **Report of the Cabinet**

The Cabinet reported and recommended as follows: -

#### **1. Council Tax Base 2024-2025**

That at its meeting held on 18 January 2024, Cabinet gave consideration to a report of the Director of Finance regarding the calculation of the Council Tax Base for 2024/2025 and to seek approval to recommend to Council the Council Tax Base for 2024/2025 in accordance with the Local Government Finance Act 1992 as amended by the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

The Cabinet recommended to Council that: -

- (i) the report for the calculation of the Tax Bases for the City Council and Hetton Town Council for 2024/2025 be approved; and
- (ii) pursuant to the report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, as amended by Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 the amount calculated by Sunderland City Council as its Council Tax Base for the year 2024/2025, shall be 74,484 and for the area of Hetton Town Council shall be 4,267.

## 2. Local Council Tax Support Scheme

That at its meeting held on 18 January 2024, Cabinet gave consideration to a report of the Director of Finance for the purposes of paragraph 5 of Schedule 1A to the Local Government Finance Act (LGFA) 1992, whether the Local Council Tax Support Scheme (LCTSS) – which is the Council’s Council Tax Reduction Scheme under section 13A(2) LGFA 1992 – should be revised or replaced with another scheme for the financial year 1 April 2024 to 31 March 2025.

The Cabinet recommended to Council that: -

- (i) no changes be made to the current LCTSS, the main features of which are set out at Appendix A, for the City of Sunderland, except as required to incorporate any regulations laid down by the Department for Levelling Up, Housing and Communities; and
- (ii) the approved LCTSS for the financial year 2024/2025 be published on the Council’s website and in any additional manner determined by the Director of Finance in consultation with the Cabinet Secretary.

The Leader of the Council, Councillor G Miller, duly seconded by the Deputy Leader, Councillor Rowntree, moved the report and supplementary report of the Cabinet.

Accordingly, it was: -

- 43. RESOLVED** that the report and supplementary report of the Cabinet be approved and adopted.

### Action Taken on Petitions

The Council received and noted the report below which detailed the action taken in relation to the following petitions which had been presented to the Council.

#### 1. **Petition – To introduce waiting restrictions, signage and remove the bus link at Barmston Village Centre**

A petition signed by 319 residents, was presented to Council on 23 March 2022 by Councillor Fiona Miller and referred to the Executive Director of City Development. The Petition read as follows:

“Requests that the council places a traffic regulation order, at the village centre shops (double yellow lines). The shop has large delivery vehicles delivering to the mini mart and chippy at all times of the day. The HGVs have obscured lines of vision for safe crossings to the shops and inconsiderate parking stopping the vehicles being able to park safely, to deliver. The residents request that there is signage to highlight for visitors to the shops, that there is a parking area just directly across the road, to enable safe parking for the shops and community pub. The residents would

like bus link removed, over the years there have been several near misses and one child injured, with drivers trying to speed through, regardless.”

Council Officers had considered the petition and advised as follows.

The location suggested has a shop, chip shop, pub and primary school within a close proximity. There are car parks clearly available for vehicles to utilise when visiting the shops, or the school. The petition was declined on the basis that the implementation of waiting restrictions at this location would not prevent the parking and loading at this location (due to observation periods for parking and loading); the car parks are clearly visible from the highway (The Department for Transport have issued a directive to reduce street clutter, such as unnecessary signage); the removal of the bus link cannot be facilitated as this was installed to remove the volume of traffic from Barmston Village Centre.

Councillor F Miller had been advised of the response.

## **2. Petition to install a traffic signal pedestrian crossing on Silksworth Lane**

A petition signed by more than 200 residents was presented to Council on 23 March 2022 by Councillor Phil Tye requesting the installation of a traffic signal pedestrian crossing on Silksworth Lane between St Christopher’s and Nursery Road. The Petition read as follows:

“Request the installation of a traffic signal pedestrian crossing on Silksworth Lane between St Christopher’s and Nursery Road, to allow the safe passage of pedestrians across the road.”

Council Officers had considered the petition and advised as follows.

The location suggested has three pedestrian refuges within close proximity that residents can utilise to cross the highway.

A Road Safety Assessment was conducted using the cabinet approved criteria. The petition was declined as this location did not meet the threshold using the Road Safety Assessment criteria for interventions and inclusion within the programme of traffic works.

Councillor Tye had been advised of the response.

## **3. Petition calling for the closure of Sterling Care Solutions, West Lodge**

A petition signed by 71 residents, was presented to Council on 13 September 2023 by Cllr Adele Graham-King. The petition read as follows:

“Petition for the Closure of Sterling Care Solutions West Lodge. This Petition is being presented to halt the ongoing issues at this establishment that houses people with alcohol and substance abuse and there was no community consultation.”

Council Officers had considered the petition and advised as follows:

The provider confirmed that all appropriate staff training had taken place and supervision processes were in place to support staff. Adult Social Care have confirmed that any customers requiring additional support, do have this in place as part of their formal care and support plan. All customers have regular unplanned visits from their allocated Social Worker. Any new referrals are considered alongside the mix of current customers to ensure they are compatible. Adult Social Care ensure there is a balance of customers with complex and low-level needs.

The provider confirmed they will make a retrospective planning application as this was an oversight on their behalf. However, Sterling Care had gained approval from the planning department to change the use from student accommodation into Housing of Multiple Occupation (HMO). The provider confirmed that there are ongoing issues with one resident for whom they are seeking an alternative placement alongside Adult Social Care colleagues. Confirmation was given that there is no drug dealing or injecting taking place in the property and there has been no record of any of the current residents at West Lodge being involved in any form of violence against local residents. The provider has reported that they have had threats made to staff and residents with people coming to the establishment which have been reported to the police. A good working relationship is in place with the local area police officers who visit regularly and not just to respond to incidents. The provider had confirmed that contact had been made with local Ward Councillors and that a meeting is to be arranged.

Councillor Graham-King had been advised of the response.

#### **4. Petition – Request that the Council urgently review the short break respite provision delivered at Grace House**

A petition signed by 6,694 residents, was presented to Council on 13 September 2023 by Councillor Anthony Mullen. The petition read as follows:

“We the undersigned residents of the City of Sunderland, petition Sunderland City Council and Together for Children, to urgently review the Short Break Respite provision which has been delivered at Grace House since 2016/17. Following a breakdown of communication between Together for Children and Grace House, families with disabled children, many with severe and complex needs, will be left bereft of assessed respite care following an announcement to parents that provision will cease in November. We fully support the Give us a Break! Campaign, and ask that negotiations are recommenced to provide this essential care with continuation of service, whilst an alternative building is sourced.”

Council Officers had considered the petition and advised as follows.

There have been two presentations to the Children, Education and Skills Scrutiny Committee (7 September and 2 November) to update Members and residents on progress in securing alternative care packages of support for children, and on identifying an alternative building through which the Council would now commission

Together for Children to run the service, as the provision from Sunderland Care and Support comes to an end. It has been made clear in those presentations and in communication with parents and carers, that the decision to remain in the building is a matter for the Grace House charity and not solely a Council decision. The charity confirmed to the Chief Executive of the Council in September that they were not in a position to agree an extension and that the service would need to exit the building as planned.

At the Cabinet meeting on 12 October 2023 the Council agreed to purchase a building in Sunderland that has been identified for the provision of overnight short breaks and as soon as the relevant legal processes have been cleared, further details will be shared with parent/carers. Parents/carers and children will be invited to contribute to the look and feel of the new home as soon as possible.

The priority has been to ensure that all children have alternative support packages and at the time of preparation of this report, these were available for all families. A further progress update will be provided to the Children, Education and Skills Scrutiny Committee in January 2024.

Councillor Mullen had been advised of the response.

**44. RESOLVED** that the report be received and noted.

### **Report on Special Urgency Decisions**

The Leader of the Council submitted a quarterly report on executive decisions which had been taken as a matter of special urgency. There had been no such instances since the last report.

**45. RESOLVED** that the report be received and noted.

### **Appointments to Committees and Outside Bodies**

The Assistant Director of Law and Governance submitted a report which informed Council of changes required to the allocation of Committee seats between political groups as a result of the changes to the political balance of the Council together with additional requested changes as set out in the table below.

| <b>Committee</b>                        | <b>Vacancy / Member to be Replaced</b> | <b>Member(s) to be Appointed</b>                     |
|---|--|--|
| Human Resources Committee               | Vacancy                                | Labour Group Nomination to be notified.              |
| Scrutiny Co-ordinating Committee        | Cllr Guy<br>Vacancy                    | Cllr Samuels<br>Ungrouped Nomination to be notified. |
| Health and Wellbeing Scrutiny Committee | Vacancy                                | Labour Group Nomination to be notified.              |



|   |          |   |
|---|----------|---|
| Children, Education and Skills Scrutiny Committee | Vacancy  | Labour Group Nomination to be notified.     |
| Economic Prosperity Scrutiny Committee            | Cllr Ali | 2X Labour Group Nominations to be notified. |
| Planning and Highways Committee                   | Vacancy  | Labour Group Nomination to be notified      |
| Licensing and Regulatory Committee                | Vacancy  | Ungrouped Nomination to be notified.        |
| Appeals Committee                                 | Vacancy  | Labour Group Nomination to be notified.     |

The Leader of the Council confirmed that the Labour Group Nominations appointing to their vacancies, would be brought to the March 2024 meeting.

**46. RESOLVED that approval be given to: -**

- (i) the appointment of a Labour Group Member to the Human Resources Committee;
- (ii) the appointment of Councillor Samuels to the Scrutiny Coordinating Committee in place of Councillor Guy;
- (iii) the appointment of an Ungrouped Member to the Scrutiny Co-ordinating Committee;
- (iv) the appointment of a Labour Group Member to the Health and Wellbeing Scrutiny Committee;
- (v) the appointment of a Labour Group Member to the Children, Education and Skills Scrutiny Committee;
- (vi) the appointment of a Labour Group Member to the Economic Prosperity Scrutiny Committee in place of Councillor Ali and the appointment of a further Labour Group Member in respect of the existing vacancy;
- (vii) the appointment of a Labour Group Member to the Planning and Highways Committee;
- (viii) the appointment of an Ungrouped Member to the Licensing and Regulatory Committee; and
- (ix) the appointment of a Labour Group Member to the Appeals Committee

## **Motions on Notice**

### **(i) Notice of Motion – Debate Not Hate**

Councillor Rowntree, duly seconded by Councillor Chapman, moved the following motion: -

The intimidation and abuse of councillors, in person or otherwise, undermines democracy; preventing elected members from representing the communities they serve, deterring individuals from standing for election, and undermining public life in democratic processes.

This council notes that increasing levels of toxicity in public and political discourse is having a detrimental impact of local democracy and that prevention, support and responses to abuse and intimidation of local politicians must improve to ensure councillors feel safe and able to continue representing their residents.

This council therefore commits to challenge the normalisation of abuse against councillors and officers and uphold exemplary standards of public and political debate in all it does.

The council further reaffirms its commitment to the LGA's Debate Not Hate campaign which aims to raise public awareness of the role of councillors in local communities, encourage healthy debate and improve the response to and support those in public life facing abuse and intimidation.

In addition, this council resolves to:

- Write to the Government to ask them to work with the LGA to develop and implement a plan to address abuse and intimidation of politicians.
- Ensure the council has a clear reporting mechanism which councillors can use to monitor and record incidents of harassment and abuse of councillors and officers.
- Regularly review the support available to councillors in relation to abuse and intimidation and councillor safety.
- Work with the local police to ensure there is a clear and joined-up mechanism for reporting threats and other concerns about the safety of councillors and their families and discuss the need to take a preventative approach that accounts for the specific risks that councillors face, as they do with other high-risk individuals, like MPs.
- Take a zero-tolerance approach to abuse of councillors and officers.

Upon being moved the motion was declared to be carried unanimously and accordingly it was: -

### **47. RESOLVED that: -**

The intimidation and abuse of councillors, in person or otherwise, undermines democracy; preventing elected members from representing the communities they serve, deterring individuals from standing for election, and undermining public life in democratic processes.

This council notes that increasing levels of toxicity in public and political discourse is having a detrimental impact of local democracy and that prevention, support and responses to abuse and intimidation of local politicians must improve to ensure councillors feel safe and able to continue representing their residents.

This council therefore commits to challenge the normalisation of abuse against councillors and officers and uphold exemplary standards of public and political debate in all it does.

The council further reaffirms its commitment to the LGA's Debate Not Hate campaign which aims to raise public awareness of the role of councillors in local communities, encourage healthy debate and improve the response to and support those in public life facing abuse and intimidation.

In addition, this council resolves to:

- Write to the Government to ask them to work with the LGA to develop and implement a plan to address abuse and intimidation of politicians.
- Ensure the council has a clear reporting mechanism which councillors can use to monitor and record incidents of harassment and abuse of councillors and officers.
- Regularly review the support available to councillors in relation to abuse and intimidation and councillor safety.
- Work with the local police to ensure there is a clear and joined-up mechanism for reporting threats and other concerns about the safety of councillors and their families and discuss the need to take a preventative approach that accounts for the specific risks that councillors face, as they do with other high-risk individuals, like MPs.
- Take a zero-tolerance approach to abuse of councillors and officers.

The meeting adjourned at this point, having reached three hours' duration.

**(Signed) D TRUEMAN**  
**Mayor**



# ***Report of the Cabinet***



## **THE CABINET reports and recommends as follows: -**

That they have referred the initial proposals on the Revenue Budget to the Scrutiny Co-ordinating Committee: -

- On 12 October 2023, Scrutiny Co-ordinating Committee considered the Budget Planning Framework and Medium-Term Financial Plan 2024/2025 – 2027/2028 report which was referred from the October Cabinet meeting:

The Scrutiny Committee notes the contents of the report including the medium-term financial plan and budget planning framework and is satisfied with the information provided.

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

The Committee also acknowledges the work undertaken around the budget consultation and updating the Capital Strategy. The Committee remains committed to budget monitoring through further updates to the Committee and has no further comments to make at this time.

- On 7 December 2023, Scrutiny Co-ordinating Committee considered the Budget Planning Framework and Medium-Term Financial Plan 2024/2025 – 2027/2028 report which was referred from the December Cabinet meeting:

The Scrutiny Committee notes the contents of the report including the medium-term financial and budget planning framework and acknowledges the budget saving proposals as well as the remaining overall budget gap.

The Committee recognises the difficult financial situation that the Council continues to operate within and remains focused on monitoring the budget position through updates provided at this Committee and has no further comments to make at this time.

- On 8 February 2024, Scrutiny Co-ordinating Committee considered Budget and Service Reports on Collection Fund (Council Tax) 2023/2024, Capital Programme 2024/2025 to 2027/2028 and Treasury Management Policy and Strategy 2024/2025, including Prudential Indicators for 2024/2025 to 2027/2028 and Revenue Budget and Proposed Council Tax for 2024/2025 and Medium-term Financial Plan 2024/2025 to 2027/2028 reports which were referred from the 31 January Cabinet meeting:

The Scrutiny Coordinating Committee notes and acknowledges the information in the various reports as presented.

The Committee also acknowledges the financial pressures on the Council and its services as detailed throughout the report and notes the recommended Council Tax increase for 2024/25, which still needs to be approved by Council. The Committee also notes the proposed budget savings proposals within the reports and the outcome of the budget consultation that was undertaken.

Finally, the Committee recognises the work of Officers and Members in preparing the budgetary information presented to this committee and to other key stakeholders and has no further comments to make.

That they have also referred the proposals for Capital Programme Planning 2024/2025 – 2027/2028 to the Scrutiny Co-ordinating Committee: -

- On 7 December 2023, Scrutiny Co-ordinating Committee considered the Capital Programme Planning 2024/2025 – 2027/2028 and Capital Strategy report which was referred from the December Cabinet meeting:

The Scrutiny Committee notes the contents of the report including the overall capital commitments for the coming financial year, as well as the additional capital new start projects.

The Committee has nothing further to add at this time.

That they have also submitted the Treasury Management Policy and Strategy and prudential indicators within the attached report numbered 1 to the meeting of the Audit and Governance Committee: -

- On 2 February 2024, the Audit and Governance Committee was consulted specifically on the Treasury Management Policy and Strategy for 2024/2025.

The Committee noted the Treasury Management Policy and Strategy for 2024/2025 and the Prudential Treasury Management Indicators for 2024/2025 to 2027/2028.

The Committee noted the Borrowing and Investment Strategies contained within the report and that the Council continued to follow and adhere to fundamental principles in relation to the prudent investment of treasury balances. The Committee commended the work of officers in achieving a very positive treasury management performance over a number of years and were satisfied that sound arrangements were in place to enable this to continue.

The Committee noted their responsibility for ensuring effective scrutiny of the treasury management strategy and policies and that they would continue to receive quarterly performance reports.

Subsequently;

The following precept figures have been confirmed as those set out in the report to Cabinet on 31 January 2024:

- The precept figures of the Police and Crime Commissioner Northumbria (PCCN) will mean an increase of £13 (7.69%) at a Band D in the precept level for 2024/2025; and
- The precept figures of the Parish of Hetton Town Council will mean an increase of 2% in the precept level for 2024/2025.

The Tyne and Wear Fire and Rescue Authority has supplied its best estimate of their proposed precepts pending their meeting on 19 February 2024 and should any changes to the proposed precepts arise, a supplementary report would be prepared



and circulated. The proposed precept figures of the Tyne and Wear Fire and Rescue Authority (TWFRA) will mean an increase of 2.99% in the precept level for 2024/2025.

The position set out at Item 3 of the report as Determination of Council Tax 2024/2025 reflects the above notified 2024/2025 precept levels in respect of the Precepting Authorities.

**NOTE:**

**In relation to the report numbered 2 below entitled “Revenue Budget and Proposed Council Tax for 2024/2025 and Medium-Term Financial Plan 2024/2025 to 2027/2028”, Appendix F has not been printed with this item, but the recommendation, which includes all of the substantive content of the report, is set out in full at item 3 overleaf.**

**1. Capital Programme 2024/2025 to 2027/2028 and Treasury Management Policy and Strategy 2024/2025, including Prudential Indicators for 2024/2025 to 2027/2028**

That they have considered the attached report of the Director of Finance on:

- the proposed Capital Programme for 2024/2025;
- the Treasury Management Policy and Strategy for 2024/2025 (including specifically the Annual Borrowing and Investment Strategies);
- the Prudential Indicators for 2024/2025 to 2027/2028; and
- the Minimum Revenue Provision Statement for 2024/2025.

Accordingly, the Cabinet recommends the Council to approve: -

- (i) the proposed Capital Programme for 2024/2025;
- (ii) the Treasury Management Policy and Strategy for 2024/2025 (including specifically the Annual Borrowing and Investment Strategies);
- (iii) the Prudential Indicators for 2024/2025 to 2027/2028; and
- (iv) the Minimum Revenue Provision Statement for 2024/2025.

**2. Revenue Budget and Proposed Council Tax for 2024/2025 and Medium Term Financial Plan 2024/2025 to 2027/2028**

That they have considered the report of the Director of Finance which is at the following link [[Cabinet 31 January 2024](#)] on:

- (a) the overall revenue budget position for 2024/2025;
- (b) the projected reserves position as at 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2025 and advise on their sufficiency;

- (c) a risk analysis of the Revenue Budget 2024/2025;
- (d) a summary of the emerging medium term financial position facing the Council from 2024/2025 to 2027/2028, and associated Council Efficiency strategy;
- (e) any views received from residents, the local Business Sector, Trade Unions, Schools Forum, Change Council and Scrutiny Coordinating Committee on the proposed budget; and
- (f) the updated City Plan 2024-2035 including the indicative timeline.

The attached report of the Director of Finance to Council sets out the proposed Revenue Budget and Council Tax for 2024/2025 and Medium-Term Financial Plan 2024/2025 to 2027/2028 as recommended by Cabinet and updated to reflect the outcome of the Final Local Government Finance Settlement which was published on 5<sup>th</sup> February 2024. The Final Local Government Finance Settlement confirmed an increase in Core Spending Power for the Council of 7.8% based on the Government's assumption of a 4.99% increase in council tax with the ringfenced funding for Social Care confirmed in the Final Local Government Finance Settlement following significant lobbying to the Government through the provisional settlement consultation earmarked for that purpose within contingencies.

Accordingly, the Cabinet recommends the Council to approve: -

- (i) the proposals set out in the report including the proposed Revenue Budget for 2024/2025 set out at Appendix J;
- (ii) the Medium Term Financial Plan 2024/2025 to 2027/2028 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; and
- (iii) the adoption of the updated City Plan 2024-2035 including the indicative timeline.

### **3. Determination of Council Tax 2024/2025**

That they have given consideration to a report of the Director of Finance making, subject to the approval of the Revenue Budget 2024/2025 (as set out at item 2 above), recommendations with respect to Council Tax levels for 2024/2025, and advising that the Council Tax is calculated using the tax bases for the areas of the City Council and Hetton Town Council as approved by Council on 24 January 2024, and setting out a number of resolutions required to be made to determine the Council Tax, including the confirmed precepts from the Major Precepting Authorities and Hetton Town Council.

They therefore recommend to Council: -

- (i) to confirm the council tax requirement for the Council for 2024/2025 for its own purposes is £128,023,844 (excluding Parish precepts) and which represents a 4.99% increase in council tax for 2024/2025. It

should be noted that this includes the additional ringfenced social care precept of 2%.

- (ii) it be noted that at its meeting on 24 January 2024 the Council approved the following amounts for the year 2024/2025 in accordance with the amended regulations made under Section 31B(3) of the Local Government Finance Act 1992 (the 'Act'):
- a) 74,484 being the amount calculated by the Council, in accordance with the above regulation of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended by Local Authorities (Calculation of Tax Base) (England) Regulations 2012, as its council tax base for the year (Item T).
  - b) 4,267 being the amount calculated by the Council, in accordance with the regulations, as the amount of its council tax base for the year for dwellings in the area of the Parish of Hetton Town Council.
- (iii) That the following amounts be calculated by the Council for the year 2024/2025 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended:
- a) £806,459,315 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.
  - b) £678,372,533 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
  - c) £128,086,782 being the amount by which the aggregate at (a) above exceeds the aggregate at (iii) (b) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax Requirement for the year including Parish precepts (Item R in the formula in Section 31A(4) of the Act).
  - d) £1,719.6550 being the amount at (iii) (c) above (Item R) all divided by Item T ((ii) (a) above), calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
  - e) £62,938 being the precept notified by Hetton Town Council as a special item under Section 34 of the Act.

- f) £1,718.8100 being the amount at (iii) (d) above less the result given by dividing the amount at (iii) (e) above by the Item T ((ii) (a) above), calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
- g) £1,733.5599 being the amount given by adding to the amount at (iii) (f) above, the amount at (iii) (e) divided by the amount at (ii) (b) above, calculated by the Council in accordance with Section 34 (3) of the Act as the basic amounts of its Council Tax for the year for dwellings in the area of the Parish of Hetton Town Council.
- h) Charges relating to the Council

| <b>Valuation Band</b> | <b>Hetton Town Council<br/>£</b> | <b>All other parts of<br/>the Council's area<br/>£</b> |
|-----------------------|----------------------------------|--|
| A                     | 1,155.71                         | 1,145.87   |
| B                     | 1,348.32                         | 1,336.85   |
| C                     | 1,540.94                         | 1,527.83   |
| D                     | 1,733.56                         | 1,718.81   |
| E                     | 2,118.80                         | 2,100.77   |
| F                     | 2,504.03                         | 2,482.73   |
| G                     | 2,889.27                         | 2,864.68   |
| H                     | 3,467.12                         | 3,437.62   |

being the amounts given by multiplying the amounts at (iii) (f) and (g) above by the number which, in the proportion set out in Section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36 (1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- (iv) it be noted that for the year 2024/2025, Tyne and Wear Fire and Rescue Authority and the Police and Crime Commissioner for Northumbria have confirmed the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992:

| <b>Valuation Band</b> | <b>Police and Crime Commissioner for Northumbria<br/>£</b> | <b>Tyne and Wear Fire and Rescue Authority<br/>£</b> |
|-----------------------|--|--|
| A                     | 121.23   | 63.41  |
| B                     | 141.43   | 73.97  |
| C                     | 161.64   | 84.54  |
| D                     | 181.84   | 95.11  |
| E                     | 222.25   | 116.25   |
| F                     | 262.66   | 137.38   |
| G                     | 303.07   | 158.52   |
| H                     | 363.68   | 190.22   |

- (v) having calculated the aggregate in each case of the amounts at (iii) (h) and (iv) above and the estimated precepts in paragraph (iv), the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2024/2025 for each of the categories of dwellings shown below.

| <b>Valuation Band</b> | <b>Hetton Town Council<br/>£</b> | <b>All other parts of the Council's area<br/>£</b> |
|-----------------------|----------------------------------|--|
| A                     | 1,340.35                         | 1,330.51   |
| B                     | 1,563.72                         | 1,552.25   |
| C                     | 1,787.12                         | 1,774.01   |
| D                     | 2,010.51                         | 1,995.76   |
| E                     | 2,457.30                         | 2,439.27   |
| F                     | 2,904.07                         | 2,882.77   |
| G                     | 3,350.86                         | 3,326.27   |
| H                     | 4,021.02                         | 3,991.52   |

- (vi) To determine that under Section 52ZB of the Local Government Finance Act 1992, the Authority's relevant basic amount of Council Tax for 2024/2025 is not excessive in accordance with the principles determined under Section 52ZC(1) of the Act.

(i.e. the proposed council tax increase for 2024/2025 means that the Council does not need to hold a referendum on its proposed council tax. The provisions set out in Section 52ZC of the Local Government Finance Act 1992 require all billing authorities (councils and precept authorities (i.e. Fire and Police authorities)) to hold a referendum on their proposed level of basic council tax each year if they exceed government guidelines set out annually.)



**CABINET – 31 JANUARY 2024**

**CAPITAL PROGRAMME 2024/2025 TO 2027/2028 AND TREASURY MANAGEMENT POLICY AND STRATEGY 2024/2025, INCLUDING PRUDENTIAL INDICATORS FOR 2024/2025 TO 2027/2028.**

**Director of Finance**

**1. Purpose of the Report**

- 1.1 To update Cabinet on the level of capital resources and commitments for the forthcoming financial year and seek a recommendation to Council to the overall Capital Programme 2024/2025 to 2027/2028 and the Treasury Management Policy and Strategy (including both borrowing and investment strategies) for 2024/2025, to approve the Prudential Indicators for 2024/2025 to 2027/2028 and the Minimum Revenue Provision Statement for 2024/2025.

**2. Description of Decision**

- 2.1 Cabinet is requested to recommend to Council approval of:
- i. the proposed Capital Programme for 2024/2025;
  - ii. the Treasury Management Policy and Strategy for 2024/2025 (including specifically the Annual Borrowing and Treasury Investment Strategies);
  - iii. the Prudential Indicators for 2024/2025 to 2027/2028; and
  - iv. the Minimum Revenue Provision Statement for 2024/2025.

**3. Background**

- 3.1 The Council currently has an ambitious approved Capital Programme, with over £437m spend profiled over the period 2024/2025 to 2027/2028 aligned to the City Plan priorities (see Appendix 1).
- 3.2 On 12<sup>th</sup> October 2023 Cabinet approved an updated Capital Strategy. On 9<sup>th</sup> November 2023 Cabinet approved a suite of new start capital proposals commencing from 2024/2025 which had been developed in accordance with the updated Capital Strategy and City Plan. The delivery of the City Plan will drive transformation and economic regeneration in the City.

**4. Capital Programme 2024/2025 to 2027/2028**

- 4.1 The proposed Capital Programme for 2024/2025 to 2027/2028 has been set with the aim of delivering on the City Plan priorities including securing capital investment in the City in order to deliver growth and jobs.
- 4.2 The total proposed programme amounts to £492.824m, with £214.819m programmed in 2024/2025, as set out below:

| Expenditure by Portfolio         | Estimated Payments |                  |                  |                  | Total<br>£'m   |
|----------------------------------|--------------------|------------------|------------------|------------------|----------------|
|                                  | 2024/2025<br>£'m   | 2025/2026<br>£'m | 2026/2027<br>£'m | 2027/2028<br>£'m |                |
| Deputy Leader & Clean Green City | 68.138             | 43.135           | 9.464            | 7.530            | 128.267        |
| Cabinet Secretary                | 13.196             | 11.427           | 8.719            | 0.000            | 33.342         |
| Children's Learning and Skills   | 7.239              | 6.670            | 7.250            | 0.000            | 21.159         |
| Dynamic City                     | 92.636             | 58.209           | 64.791           | 30.132           | 245.768        |
| Healthy City                     | 8.718              | 0.250            | 0.000            | 0.000            | 8.968          |
| Vibrant City                     | 24.892             | 19.729           | 9.145            | 1.554            | 55.320         |
| <b>TOTAL CAPITAL EXPENDITURE</b> | <b>214.819</b>     | <b>139.420</b>   | <b>99.369</b>    | <b>39.216</b>    | <b>492.824</b> |

4.3 In 2023/2024, the Council committed resources towards a Capital Programme spanning 2023/2024 to 2026/2027, which included schemes that were reliant upon securing external funding. Therefore, the proposed 2024/2025 to 2027/2028 programme reflects:

- ongoing capital scheme commitments from previous years of £437.020m (£193.267m in 2024/2025) as set out in Appendix 1;
- new starts / additional investment of £55.804m (£21.552m in 2024/2025) summarised at section 4.6 with further detail set out in Appendix 2.

The details of the full Capital Programme for 2024/2025 to 2027/2028 are set out in Appendix 3. The rest of this section of the report covers proposals for new starts / additional investments in more detail.

#### 4.4 Additional Capital Project Proposals 2024/2025 to 2027/2028 – Capital Strategy

4.4.1 The Capital Strategy provides the framework within which the Council's capital investment plans are developed, prioritised and delivered. It provides a framework which enables proposed new capital expenditure to be evaluated to ensure that all new capital investment is targeted at meeting the priorities set out in the City Plan.

4.4.2 The Capital Strategy is updated annually for approval by Council, with the latest revision approved by Council in November 2023.

4.4.3 The capital priorities are aligned to the City Plan "Sunderland 2023-2035" Themes:

- 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;
- Sunderland will be a **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



- Sunderland will be a **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.

In addition, a continuing priority for the Council is to deliver the best possible services and support to our residents, with a focus on long term benefits for our children and young people beyond 2035.

## 4.5 Resources Available for New Starts / Additional Investments

### 4.5.1 Resources - Grants

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.

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.

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.

Recent external funding approvals have been secured for the following regeneration projects and programmes, 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 Energy Security and Net Zero 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;
- £5.08m from the Brownfield Land Release Fund to support the unlocking of three priority housing developments at West Park, Farringdon Row and Cricketer's Hill (Carley Hill);
- £3.16m capital grant to support Sunderland's UK Shared Prosperity Fund (UKSPF) Investment Plan, enabling a variety of capital investments to take place across the city in 2023/2024 and 2024/2025; and
- £5.5m funding from government to support acquisition and preparatory work for the Studio Development project.

A range of capital funds have also been secured for projects which support delivery of the city's low carbon objectives, including:

- £2.2m from the Public Sector Decarbonisation Scheme to invest in public sector building energy efficiency measures;
- £2.5m European Regional Development Fund grant to support investment in battery storage, solar PV and electric vehicle charging infrastructure on several Council sites;
- £3.2m secured to support energy efficiency improvements in the worst performing properties (Energy Performance Certificate rated D-F) and fuel poor households in the city; and
- £8.1m support through the Active Travel Fund to support priority cycle schemes;

The Council, working with key public and private partners, has been successful in the last 12 months in securing funding for 3 demonstrator projects to support delivery of the City Plan and the Smart City ambition. These include:

- Sunderland Advanced Mobility Shuttle - £3m external grant secured from Innovate UK, as part of a £5.5m project, to build and trial a self-driving shuttle service to the University of Sunderland City Campus and Sunderland Royal Hospital, via an Intelligent Transport Corridor.
- Sunderland Open Network Ecosystem project - £3.4m funding awarded towards total costs of £5.7m, through the UK Open Networks Research and Development Fund (Department for Science, Innovation and Technology). This consortium project, led by the Council, will aim to showcase a highly efficient, state-of-the-art High-Density Demand (HDD) Open RAN solution at the Stadium of Light and the new British Esports Arena, part of the National Esports Performance Campus in Sunderland.
- 5G Innovation Regions (Department for Science, Innovation and Technology) - £3.7m grant award for a regional partnership project led by the Council and involving our 6 neighbouring North East local authorities. The multi-faceted project will deliver innovative 5G-enabled projects across key sectors including transport and logistics, creative industries and agritech across rural industries.

In 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 grant, with delivery of activities from 2022/2023 to the end of March 2025. The programme supports a wide range of project activities under 3 main investment priorities: (1) Communities and Place; (2) Supporting Local

Business; (3) People and Skills. As of January 2024, £2.7m UKSPF capital grant has been allocated supporting 12 projects across the city.

Following the announcement in December 2022 that the Government and North East local authorities will work towards agreeing a devolution deal, it is anticipated that additional funding opportunities for capital investment will be unlocked from 2024/2025 including control of a long-term regional investment fund and a City Region Sustainable Transport Settlement. Additional funding has also been confirmed through the Brownfield Housing Fund to support the building of new homes on brownfield land and to drive place-based economic regeneration. A number of Sunderland schemes are currently being developed to accelerate housing delivery.

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.

The Council is currently undertaking important feasibility and design work to redevelop the Sunderland Museum and Winter Gardens. A development grant award of £0.3m from the National Lottery Heritage Fund has already been secured allowing work to proceed on the preparation of a full design and bid proposal which will be submitted in 2024.

As in previous years, resources allocated in respect of Transport, the Better Care Fund and Education specific purpose grants will be allocated to those services areas. These grants, in the main, support recurring capital activity.

The table below details Government grants announced for 2024/2025 for Transport, Adult Social Care and Schools not yet in the current approved Capital Programme, with comparator allocations for 2023/2024.

| Funding Source                                      |  | 2023/2024    | 2024/2025    |
|---|--|--------------|--------------|
|   |  | £'000        | £'000        |
| City Region Sustainable Transport Settlement        | Highways Capital Maintenance                     | 1,835        | 1,835        |
|   | Highways Capital Maintenance - Incentive Funding | 459          | 459          |
|   | Pot Hole Action Fund                             | 1,835        | 1,835        |
|   | Highways Integrated Transport                    | 1,618        | 1,618 *      |
|   | Nexus Allocation                                 | 42           | 42           |
| Pot Hole Action Fund                                |  | 734          | 0            |
| Network North - Highways and Structures Maintenance |  | 525          | 525          |
| <b>Total Transport</b>                              |  | <b>7,048</b> | <b>6,314</b> |
| Disabled Facilities Grant                           |  | 4,055        | 4,055 *      |
| <b>Total Adult Social Care</b>                      |  | <b>4,055</b> | <b>4,055</b> |
| Schools Condition Allocation                        |  | 1,500        | 1,500 *      |
| Education Basic Need                                |  | 0            | 0            |
| Schools Devolved Funding                            |  | 288          | tbc          |
| High Needs Capacity Funding                         |  | 2,488        | tbc          |
| Early Years - Wraparound Childcare Programme        |  | 457          | 0            |
| <b>Total Department for Education</b>               |  | <b>4,733</b> | <b>1,500</b> |

\* Provisional

Appendix 2 sections 2 to 4 sets out further details and proposed use of the above funding for 2024/2025.

#### 4.5.2 Resources – Capital Receipts and Reserves

The Council continues to market sites for sale to maximise capital receipts and support operational requirements. Capital receipts are only earmarked to fund the Capital Programme once they are realised, or where they have been included as part of any project financial plan as part of the overall business case.

S106 Reserves - Upon confirmation of S106 agreements with developers, monies received are held in reserves until detailed plans on the use of the funding are developed in accordance with the requirements outlined in the S106 agreements. Once developed the projects are brought into the Capital Programme at the appropriate time. Typical uses would be for the development / improvement of play provision, educational assets, highways infrastructure, affordable housing, public open spaces and ecological improvements.

Following a review of available resources and project business cases, it is proposed that no capital receipts or reserves are earmarked to support the Capital Programme proposals in this report.

Elsewhere on the agenda, the Revenue Budget and Proposed Council Tax report for 2024/2025 sets out the Council's Efficiency Strategy for the period 2024/2025 to 2027/2028. In accordance with Government guidance on the availability of flexibility around the use of capital receipts for transformation purposes, the Efficiency Strategy includes the option to use capital receipts to support transformation costs arising from implementing the Council's savings programme.

#### 4.5.3 Resources – Capital Expenditure charged to Revenue Account (CERA)

Given the financial position in recent years, there is no specific budget provision for revenue funding for capital expenditure, other than for current commitments included within the approved Capital Programme.

#### 4.5.4 Resources – Borrowing

Historically the Council has utilised flexibility in funding its Capital Programme using prudential borrowing. Additional borrowing results in additional debt charges which must be affordable within the revenue budget planning with appropriate provision included within the base budget and the Medium-Term Financial Plan (MTFP). The Council will continue to consider financing options taking in to account available resources at the appropriate time.

The budget includes prudent provision for capital financing charges that may arise from an additional net £38.762m of prudential borrowing (£7.258m in 2024/2025 and £31.504m from 2025/2026 to 2027/2028). It is proposed to use this borrowing flexibly by switching with surplus capital receipts once realised and through using temporary cash balances. This would reduce planned capital finance charges that may arise from this borrowing.

#### 4.5.5 Resources – Other Funding – Enterprise Zones

The Council has three Enterprise Zone sites: IAMP, A19 Ultra Low Carbon Zone and part of the Port of Sunderland. All the business rates growth generated on these Enterprise Zones for their 25-year life are payable to the North East Local Enterprise Partnership (LEP). This resource is then distributed by the North East LEP to meet / contribute to the capital financing costs of the infrastructure works associated with those enterprise zones delivered through the Council's Capital Programme.

### **4.6 Detailed Proposals for New Starts and Capital Programme 2024/2025 to 2027/2028**

- 4.6.1 Following consultation with Portfolio Holders and approval by Cabinet in November 2023, the projects in the table below are included in the Capital Programme for 2024/2025 to 2027/2028 with further details set out in Appendix 2.
- 4.6.2 In addition, following confirmation of specific grant approvals, these grants have been allocated to relevant service areas in the table below, with further details set out in Appendix 2.

| Appendix 2 Ref                                  | Project Name  | Total Project Spend | Spend 2024/25  | Spend Future Years | External Funding | Council Provision in Current Capital Programme | Additional Council Funding |
|---|---|---------------------|----------------|--------------------|------------------|--|----------------------------|
|   |   | £m                  | £m             | £m                 | £m               | £m   | £m                         |
| <b>Deputy Leader and Clean Green City</b>       |   |                     |                |                    |                  |  |                            |
| 1.1.1   | Redevelopment of Bishopwearmouth Crematorium  | 15.646              | 0.279          | 15.367             | 0.000            | 7.500  | 8.146                      |
| 1.1.2   | Herrington Country Park - Car Park  | 0.900               | 0.900          | 0.000              | 0.000            | 0.000  | 0.900                      |
| 1.1.3   | Regulatory Services Infrastructure  | 0.340               | 0.240          | 0.100              | 0.000            | 0.000  | 0.340                      |
| <b>Total</b>                                    |   | <b>16.886</b>       | <b>1.419</b>   | <b>15.467</b>      | <b>0.000</b>     | <b>7.500</b>                                   | <b>9.386</b>               |
| <b>Cabinet Secretary</b>                        |   |                     |                |                    |                  |  |                            |
| 1.2.1   | Replacement of Coalfields Depot   | 12.750              | 0.611          | 12.139             | 0.000            | 6.503  | 6.247                      |
| <b>Total</b>                                    |   | <b>12.750</b>       | <b>0.611</b>   | <b>12.139</b>      | <b>0.000</b>     | <b>6.503</b>                                   | <b>6.247</b>               |
| <b>Children's and Learning Skills</b>           |   |                     |                |                    |                  |  |                            |
| 1.3.1   | Relocation of Barbara Priestman Academy   | 8.000               | 0.000          | 8.000              | 1.998            | 0.000  | 6.002                      |
| 1.3.2   | SEND Transport – EV Minibus   | 0.200               | 0.200          | 0.000              | 0.000            | 0.000  | 0.200                      |
| <b>Total</b>                                    |   | <b>8.200</b>        | <b>0.200</b>   | <b>8.000</b>       | <b>1.998</b>     | <b>0.000</b>                                   | <b>6.202</b>               |
| <b>Dynamic City</b>                             |   |                     |                |                    |                  |  |                            |
| 1.4.1   | Domestic Abuse Safe Accommodation   | 10.000              | 2.350          | 7.650              | 3.000            | 0.000  | 7.000                      |
| 1.4.2   | Sunniside Leisure   | 2.000               | 2.000          | 0.000              | 0.000            | 0.000  | 2.000                      |
| 1.4.3   | Former Joplings Building  | 1.000               | 1.000          | 0.000              | 0.000            | 0.000  | 1.000                      |
| <b>Total</b>                                    |   | <b>13.000</b>       | <b>5.350</b>   | <b>7.650</b>       | <b>3.000</b>     | <b>0.000</b>                                   | <b>10.000</b>              |
| <b>Healthy City</b>                             |   |                     |                |                    |                  |  |                            |
| 1.5.1   | Farnborough Court Intermediate Care Centre Refurbishment                                      | 0.750               | 0.750          | 0.000              | 0.000            | 0.000  | 0.750                      |
| 1.5.2   | Barnes Park Coffee Stop Café - Conversion of the Building                                     | 0.150               | 0.150          | 0.000              | 0.000            | 0.000  | 0.150                      |
| <b>Total</b>                                    |   | <b>0.900</b>        | <b>0.900</b>   | <b>0.000</b>       | <b>0.000</b>     | <b>0.000</b>                                   | <b>0.900</b>               |
| <b>Vibrant City</b>                             |   |                     |                |                    |                  |  |                            |
| 1.6.1   | Leisure Facilities  | 6.102               | 1.993          | 4.109              | 0.075            | 0.000  | 6.027                      |
| <b>Total</b>                                    |   | <b>6.102</b>        | <b>1.993</b>   | <b>4.109</b>       | <b>0.075</b>     | <b>0.000</b>                                   | <b>6.027</b>               |
| <b>Service New Grant Allocations</b>            |   |                     |                |                    |                  |  |                            |
| 2.0   | Transport (Highways) Schemes  | 6.314               | 6.314          | 0.000              | 6.314            | 0.000  | 0.000                      |
| 3.0   | Adult Social Care - Disabled Facilities Grant Allocation (including £0.1m Gento contribution) | 4.155               | 4.155          | 0.000              | 4.155            | 0.000  | 0.000                      |
| 4.0   | Education   | 1.500               | 1.500          | 0.000              | 1.500            | 0.000  | 0.000                      |
| <b>Total</b>                                    |   | <b>11.969</b>       | <b>11.969</b>  | <b>0.000</b>       | <b>11.969</b>    | <b>0.000</b>                                   | <b>0.000</b>               |
| <b>TOTAL of Investment Proposals</b>            |   | <b>69.807</b>       | <b>22.442</b>  | <b>47.365</b>      | <b>17.042</b>    | <b>14.003</b>                                  | <b>38.762</b>              |
| <b>Less Current Capital Programme Provision</b> |   | <b>(14.003)</b>     | <b>(0.890)</b> | <b>(13.113)</b>    |                  |  |                            |
| <b>TOTAL Additional Investment</b>              |   | <b>55.804</b>       | <b>21.552</b>  | <b>34.252</b>      |                  |  |                            |

4.6.3 The proposed additional new starts investment totals £69.807m, (£22.442m in 2024/2025 and £47.365m in future years). Of the total £69.807m:

- £17.042m is externally funded;
- £14.003m is existing Council funding already included in the current Capital Programme; and
- The remaining balance of £38.762m is to be met from available Council resources via prudential borrowing.

It is important to note that:

- Some capital projects included in the table above will be subject to the positive outcomes of external grant funding bids;
- Some of the above investment is anticipated to be recouped through either S106 or commercial arrangements over time; and

- Some investments are linked to the generation of savings to support the revenue budget.
- 4.6.4 Planned funding sources for individual capital schemes may be subject to amendment to achieve best value for the Council and ensure the Capital Programme continues to be prudent, affordable, and sustainable into future years and within overall borrowing limits whilst still retaining flexibility.
- 4.6.5 The recommended Capital Programme is included in full as Appendix 3 to this report.
- 4.6.6 Additional capital project proposals were approved by Cabinet on 9<sup>th</sup> November 2023 for inclusion in this Capital Programme report. The Scrutiny Coordinating Committee on 7<sup>th</sup> December 2023 acknowledged the Capital Programme and is satisfied with the proposed variations to the Capital Programme.

## 5. Prudential Framework and Code

- 5.1 One of the principal features of the Local Government Act 2003 is to provide the primary legislative framework to introduce a prudential regime for the control of Local Authority capital expenditure. The regime relies upon both secondary legislation in the form of regulations, and a prudential code issued and maintained by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Prudential Code was first reported to Council in March 2004 and the latest version was issued by CIPFA in December 2021.
- 5.2 Under the prudential framework local authorities are free to borrow without specific government consent if they can afford to service the debt without extra government support, not just for the current year but also for future years. The basic principle is that authorities are free to invest as long as their capital spending plans are affordable, sustainable and prudent. This allows the Council the freedom to manage and control its Capital Programme and how it is financed. The key elements of control and management of capital finance are through:
- Capital expenditure plans – the Council's Capital Programme;
  - External debt - how the Council proposes to fund its Capital Programme; and
  - Treasury management – the management of the Council's investments, cash flows, banking, money market and capital market transactions, the effective control of risks associated with those activities and the pursuit of optimum performance consistent with those risks.
- 5.3 To demonstrate that the Council takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, the Council has in place a Capital Strategy that sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. The Capital Strategy was reported to Cabinet in October 2023 and subsequently approved by Council in November 2023. The Capital Strategy forms a part of the Council's integrated revenue, capital and balance sheet planning.

- 5.4 All authorities must follow the latest Prudential Code published by CIPFA. This involves setting various prudential limits and indicators that must be approved by the Council before the start of the relevant financial year as part of their budget setting process. The prudential and treasury management indicators have been prepared for the financial year 2024/2025, taking into account all matters specified in the Prudential Code. Regular monitoring takes place during the year and reports are made to Cabinet to show the Council's performance and compliance with these indicators as part of the quarterly capital review reports as appropriate.
- 5.5 All of the indicators together with background information to these indicators and what they are seeking to assess, are detailed in Appendix 4 in full compliance with the Code.
- 5.6 Regulations came into force on 31<sup>st</sup> March 2008 which requires local authorities to repay an element of its capital financing requirement each year through a revenue charge known as the Minimum Revenue Provision (MRP). Local authorities have a statutory requirement to make a prudent level of provision and to have regard to Department for Levelling Up, Housing and Communities' (DLUHC) guidance when assessing its MRP. DLUHC revised their MRP guidance in February 2018 and this guidance has been considered when setting the MRP policy for 2024/2025. The Council must set, each year, an amount of MRP it considers prudent. It is also recommended that an annual statement of its policy on making a MRP in respect of the following financial year is submitted to full Council for approval. Consultation on the proposed MRP was completed in 2022/2023, DLUHC are currently considering outcomes / next steps.
- 5.7 Local authorities have significant discretion in determining the level of MRP which they consider to be prudent. The Council's MRP policy was reviewed as part of the budget setting process for 2017/2018 where it was determined that had the annuity basis used to calculate MRP, that was introduced from 2015/2016, been adopted from 1<sup>st</sup> April 2008 (being the date when regulations came into force) around £43.5m less MRP would have been charged between 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 2016. Council approved that the £43.5m overprovision of MRP in previous years be used to reduce MRP for 20 years from 2016/2017 by a fixed amount of £2.176m each year until 2036/2037. Phasing over 20 years is the time period that the Government specify for expenditure to be treated as capital expenditure by virtue of direction under section 16(2)(b) of the 2003 Act. This is considered prudent, as taking previous overpayments over this longer period slows the increase to the Council's capital financing requirement, and therefore interest charges, whilst still giving additional certainty to the Council's debt charges budget. The proposal assisted the Council in addressing the impact of funding reductions as described in the Council's MTFP at that time.
- 5.8 It is proposed the Council continue the MRP policy used in 2023/2024 and the recommended Minimum Revenue Provision Statement for 2024/2025 is set out in Appendix 5.

## 6. Treasury Management

### 6.1 General

Treasury Management is defined as "the management of the local authority's borrowing, investments and cash flows, its banking, money market and capital



market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

## 6.2 Statutory requirements

The Local Government Act 2003 (the Act) requires the Council to:

- adopt a Treasury Management Policy Statement (detailed in Appendix 6), and
- set out its Treasury Management Strategy Statement comprising the Council’s strategy for borrowing and the Council’s policies for managing its investments and giving priority to the security and liquidity of those investments (set out in Appendix 7).

The DLUHC ‘Statutory Guidance on Local Government Investments’ was updated in February 2018 and CIPFA updated its Treasury Management in the Public Services Code of Practice in December 2021. The Council is statutorily required to have regard to this advice when setting its Treasury Management Policy Statement and Treasury Management Strategy.

The Government published revised lending terms for the Public Works Loan Board (PWLB), which were implemented from the 26 November 2020 with a revision on 12 August 2021. The main feature of the new lending terms was to prevent local authorities from using PWLB loans to buy commercial assets primarily for yield.

This investment guidance focused particularly on non-treasury commercial investments reported within the Commercial Activity – Investment Strategy section of the Capital Strategy presented to Cabinet in October 2023, rather than in the Treasury Management Strategy. Ensuring the separation of the core treasury function where investments are made under security, liquidity and yield principles, and non-treasury commercial and strategic investments.

Should the Council borrow to fund any non-treasury investment, there will be an explanation of why borrowing was required and why the DLUHC Investment Guidance and CIPFA Prudential Code have not been adhered to.

## 6.3 CIPFA Code of Practice requirements

The Council continues to fully adopt and to reaffirm annually its adherence to the updated CIPFA Code of Practice on Treasury Management.

The primary requirements of the Code include that:

1. The Council will create and maintain, as the cornerstones for effective treasury management:
  - a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities;
  - suitable treasury management practices (TMPs), setting out the way the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
  - investment management practices (IMPs) for investments that are not for treasury management purposes

The content of the Treasury Management Policy Statement is detailed in Appendix 6 and the TMPs follow the recommendations contained in Sections

6 and 7 of the Code, subject only to minor variations where necessary to reflect the circumstances of the Council and these do not result in the Council materially deviating from the Code's key principles.

2. The Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan, in advance of the year ahead, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
3. The Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to Cabinet, and for the execution and administration of treasury management decisions to the Director of Finance, who acts in accordance with the Council's Treasury Management Policy Statement, TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
4. The Council's Audit and Governance Committee is responsible for ensuring effective scrutiny of the treasury management strategy and policies.

#### **6.4 Treasury Management Strategy Statement for 2024/2025**

- 6.4.1 The Treasury Management Strategy Statement comprises a Borrowing and an Investment Strategy. These set out the Council's policies for managing its borrowing and investments in 2024/2025.
- 6.4.2 There are no major changes proposed to the overall Treasury Management Strategy in 2024/2025, which maintains the careful and prudent approach adopted by the Council in previous years. Areas that inform the strategy include the extent of potential borrowing included in the Capital Programme, the availability of borrowing, and the current and forecast global and UK economic positions, in particular forecasts relating to interest rates and security of investments.
- 6.4.3 The proposed Treasury Management Strategy Statement for 2024/2025 is set out in Appendix 7 and has been informed by market data, market information and leading market forecasts and views provided by the Council's treasury adviser, Link Asset Services.
- 6.4.4 The Council's TMPs are subject to regular review to ensure compliance to the agreed treasury management strategy and that the strategy adapts to changing financial markets as appropriate. The Council's performance for 2023/2024 using the prudent treasury management strategy adopted shows that the current average rate of borrowing at 2.80% compares favourably with other local authorities whilst the current average rate earned on investments at 5.05% is higher than the benchmark rate of 4.88%. Market conditions are under constant review so that the Council can take a view on the optimum time to carry out further borrowing or debt rescheduling.

#### **7. Reasons for Decision**

- 7.1 To comply with statutory requirements to approve an affordable Capital Programme, Treasury Management Strategy and Prudential Indicators.

## **8. Alternative Options**

8.1 No alternative options are proposed.

## **9. Impact Analysis**

9.1 Impact assessments will be undertaken by Directorates in delivering the schemes and to ensure programmes are delivered within budget.

## **10. List of Appendices**

**1.**

- 10.1 Appendix 1 - Capital Commitments into 2024/2025  
Appendix 2 - Capital Programme 2024/2025 New Starts / Additional Investments  
Appendix 3 - Capital Programme 2023/2024 to 2027/2028  
Appendix 4 - Prudential and Treasury indicators 2024/2025 to 2027/2028  
Appendix 5 - Minimum Revenue Provision Policy Statement 2024/2025  
Appendix 6 - Treasury Management Policy Statement  
Appendix 7 - Treasury Management Strategy Statement for 2024/2025

## **11. Background Papers**

[Cabinet Report – 18th January 2024 - Revenue Budget 2024/2025 to 2027/2028 - Update and Provisional Local Government Settlement 2024/2025](#)

[Cabinet Report – 7<sup>th</sup> December 2023 - Budget Planning Framework and Medium-Term Financial Plan 2024/2025 – 2027/2028](#)

[Cabinet Report – 12<sup>th</sup> October 2023 - Budget Planning Framework and Medium-Term Financial Plan 2024/2025 – 2027/2028.](#)



## Current Approved Capital Programme Commitments from 2024/2025 to 2027/2028

| Project  | Existing Capital Programme |                              |                |
|--|----------------------------|------------------------------|----------------|
|  | 2024/2025                  | 2025/2026<br>to<br>2027/2028 | TOTAL          |
|  | £m                         | £m                           | £m             |
| Crowtree Redevelopment   | 3.000                      | 72.132                       | 75.132         |
| Sunderland Eye Infirmary   | 31.273                     | 30.191                       | 61.464         |
| Housing Delivery Investment Plan   | 4.466                      | 32.488                       | 36.954         |
| Vaux Housing   | 20.672                     | 10.245                       | 30.917         |
| Culture House  | 19.559                     | 11.051                       | 30.610         |
| Riverside Sunderland Infrastructure  | 18.691                     | 11.822                       | 30.513         |
| Vehicle Replacement Programme  | 5.227                      | 11.256                       | 16.483         |
| International Advanced Manufacturing Park (IAMP)   | 15.812                     | 0.000                        | 15.812         |
| HICSA (Housing Innovation Construction & Skills Academy)   | 10.606                     | 2.578                        | 13.184         |
| Sunderland Museum & Winter Gardens Redevelopment   | 1.043                      | 9.397                        | 10.440         |
| Thorney Close Primary School - new build   | 3.187                      | 5.920                        | 9.107          |
| Smart Cities Project   | 7.035                      | 2.009                        | 9.044          |
| Planned Property Capital Maintenance   | 2.500                      | 5.000                        | 7.500          |
| Redevelopment of Bishopwearmouth Crematorium   | 0.279                      | 6.987                        | 7.266          |
| Highways Maintenance Programme   | 1.000                      | 6.000                        | 7.000          |
| Replacement Coalfields Depot and Provision of a Salt Barn  | 0.611                      | 5.731                        | 6.342          |
| Inspiring Futures Programme - Delivering a new approach to Homelessness Services and Accommodation | 1.156                      | 4.856                        | 6.012          |
| Housing Other Sites  | 3.957                      | 1.561                        | 5.518          |
| Washington F Pit Heritage Visitor Centre and Albany Park Improvements                              | 1.000                      | 3.300                        | 4.300          |
| Bridge Maintenance Programme   | 1.000                      | 3.000                        | 4.000          |
| Sunderland Central Station Redevelopment & Car Park  | 3.000                      | 0.000                        | 3.000          |
| Sunniside Regeneration (Nile & Villiers Street)  | 2.988                      | 0.000                        | 2.988          |
| Strategic Acquisitions and Developments  | 2.984                      | 0.000                        | 2.984          |
| Scheme Feasibility & Design  | 0.803                      | 2.119                        | 2.922          |
| Pallion New Rd / European Way-Cycle lane   | 2.778                      | 0.000                        | 2.778          |
| Nobles Quay Replacement  | 2.700                      | 0.000                        | 2.700          |
| Football Hubs Sinking Fund   | 0.000                      | 2.571                        | 2.571          |
| ICT projects   | 1.355                      | 1.159                        | 2.514          |
| Day Centre Refurbishment   | 2.397                      | 0.000                        | 2.397          |
| Coastal Defence - Strategic Frontage 3   | 2.364                      | 0.000                        | 2.364          |
| Investment Corridors   | 2.200                      | 0.000                        | 2.200          |
| Hetton Downs Development Phase 2   | 1.648                      | 0.000                        | 1.648          |
| Energy Masterplan & Feasibility Assessment   | 1.600                      | 0.000                        | 1.600          |
| A183 Dame Dorothy St. Two-Way Cycle Lane   | 1.551                      | 0.000                        | 1.551          |
| Port Warehousing Developments  | 1.500                      | 0.000                        | 1.500          |
| UKSPF - External Grants  | 1.339                      | 0.000                        | 1.339          |
| Other Schemes (<=£1m)  | 9.986                      | 2.380                        | 12.366         |
| <b>TOTAL CURRENT PROGRAMME</b>   | <b>193.267</b>             | <b>243.753</b>               | <b>437.020</b> |



## Capital Programme 2024/2025 to 2027/2028 – New Starts / Additional Investments

### 1. Other Capital New Start / Additional Investment Proposals 2024/2025 to 2027/2028

The following projects are proposed for inclusion in the 2024/2025 to 2027/2028 Capital Programme. Gross amounts represent the total estimated project cost. For projects with other external or other funding provision, the net amounts represent the estimated net increase in Council financial investment.

#### 1.1 Deputy Leader and Clean Green City New Start Proposals

##### 1.1.1 Redevelopment of Bishopwearmouth Crematorium - £15.646m gross, £8.231m net (£7.415m existing provision)

The project will focus on the refurbishment and remodelling of the existing Bishopwearmouth Crematorium. The project includes replacement of the existing stock of cremators, creation of a second chapel, increased on-site parking facilities, revitalising the current landscaping scheme and introduction of a series of carbon reduction methods to support cleaner and more efficient operations. It includes elements of selective demolition, new build and refurbishment. The ongoing requirement to deliver an operational crematorium facility for the city during the build dictates a longer build time than under a full closure. Appropriate phasing of works will be coordinated to support the ongoing operational requirement of the facility during the construction period. The provision of a second chapel will support continuing operations during construction, provide increased capacity, as well as protection of service should one chapel need to temporarily close.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will benefit residents city-wide, and will contribute to the following strategic priorities:

- Dynamic Smart City: a lower carbon city with greater digital connectivity for all
- Healthy Smart City: a cleaner and more attractive city and neighbourhood

##### 1.1.2 Herrington Country Park - Car Parking - £0.900m gross.

Herrington Country Park has significant usage and has continued to increase with the addition of Love Lilly and events at the park. The existing parking provision is considered inadequate, leading to inconsiderate parking on grassed areas. This in turn affects the aesthetics of the park due to the damage to verges as a result of the parking demands. It is therefore proposed to improve and expand the existing car park by the café at top of park and also provide new parking next to the skate park. The total number of additional parking spaces is estimated at 67.

The investment will directly benefit residents in Coalfields and also to residents city-wide, and will contribute to the following strategic priorities:

- Healthy Smart City: access to equitable opportunities and life chances
- Healthy Smart City: reduced health inequalities enabling more people to live healthier longer lives
- Healthy Smart City: a cleaner and more attractive city and neighbourhood
- Vibrant Smart City: more residents participating in their communities

- Vibrant Smart City: more people visiting Sunderland and more residents informing and participating in cultural events, programmes and activities.

### **1.1.3 Regulatory Services Infrastructure - £0.340m gross.**

Provision of necessary infrastructure to allow Regulatory Services to fulfil statutory requirements. This will include new public spaces protection orders signage, city centre re-deployable CCTV cameras, an antisocial behaviour case management system and noise monitoring equipment.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will benefit residents city-wide, and will contribute to the following strategic priorities:

- Healthy Smart City: a cleaner and more attractive city and neighbourhood
- Vibrant Smart City: more people feeling safe in their homes and neighbourhoods
- Vibrant Smart City: more resilient people.

## **1.2 Cabinet Secretary New Start Proposals**

### **1.2.1 Replacement of Coalfields Depot - £12.750m gross, £6.258m net (£6.492m existing provision)**

The existing Houghton Depot is in poor condition, does not effectively meet current operational need and has poor energy and cost efficiency. As such the site is no longer considered to be fit for purpose. The scheme will provide a new purpose-built, fit-for-purpose depot to replace the existing Houghton Depot in line with the Council's Asset Management Strategy. It will incorporate the latest low carbon technologies including the introduction of locality-based vehicle charging facilities to support the strategic directive and operational transition to a carbon neutral Council fleet - opportunities will be explored to access low carbon grants should any appropriate funding opportunities arise. It will be occupied by the Council and provide the following services for the Coalfields area and its residents:

- Winter Maintenance (including a covered salt barn) / gritters
- Refuse Collection (domestic/recycling/bulky waste)
- Local Services (street cleansing / grounds maintenance / parks)
- Arbour services.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will directly benefit residents in Coalfields and also to residents city-wide, and will contribute to the following strategic priorities:

- Dynamic Smart City: a lower carbon city with greater digital connectivity for all
- Healthy Smart City: a cleaner and more attractive city and neighbourhood
- Healthy Smart City: great transport links with low carbon and active travel opportunities for all.



### **1.3 Children’s Learning and Skills New Start Proposals**

#### **1.3.1 Relocation of Barbara Priestman Academy - £8.000m gross, £6.002m net (£1.998m external funding)**

The proposal will relocate the Barbara Priestman Academy from its current site at Ashbrooke and the buildings currently occupied on a short-term lease at Thornhill Academy to the site that will be vacated by Thorney Close Primary School in 2026. Barbara Priestman currently provides 180 of the city’s special school places for pupils with Autism.

The project will include a full refurbishment of the school buildings at the current Thorney Close Primary School, adaptations to ensure children with learning difficulties and disabilities are suitably catered for and extension of the current buildings to provide additional ASD (autism spectrum disorder) places for the city. It will provide for both the city’s 11-16 cohort and the 16 – 25-year-old 6th form population (currently accommodated in temporary leased facilities at another local secondary setting).

The Council has retained around £2m from its High Needs Capital allocation, included in current capital programme, to invest in local SEN (special educational needs) facilities. This funding will be allocated to support this development, alongside any additional future SEN funding allocations to minimise any Council borrowing costs.

As part of the proposal Barbara Priestman would vacate its main teaching block buildings at Meadowside, Ashbrooke. The specialist teaching block at the site, constructed in 2014, would be retained as a SEN facility with associated outdoor space. This would enable the city to accommodate an additional 24 pupils with SEN. The remainder of the site would be declared surplus and made available for alternative, non-educational use, or development.

Area Outcomes / Benefits and Contribution to Strategic Priority:

The investment will benefit residents city-wide, and will contribute to the following strategic priorities:

- Dynamic Smart City: more local people with better qualifications and skills
- Dynamic Smart City: a lower carbon city with greater digital connectivity for all
- Healthy Smart City: access to equitable opportunities and life chances
- Vibrant Smart City: more resilient people.

#### **1.3.2 SEND Transport – Electric Vehicle (EV) Minibus - £0.200m gross**

There is a statutory requirement to provide Home to School Transport (HTST) for children with additional needs. This proposal is for provision of two electric, wheelchair accessible, minibuses and suitable EV charging posts. The buses will be leased, following a tender exercise, to a local Community Transport (CT) organisation for a nominal sum. The CT will then deliver agreed HTST routes whilst being able to utilise the vehicles to support other community uses.

The project will assist with reducing the costs of the current HTST service and also support the wider Sunderland ambition in its Net Zero target by 2030. By procuring electric, over diesel, vehicles the project would directly align with the Low Carbon Action Plan.

Area Outcomes / Benefits and Contribution to Strategic Priority:

The investment will benefit residents city-wide, and will contribute to the following strategic priorities:

- Dynamic Smart City: a lower carbon city with greater digital connectivity for all
- Healthy Smart City: access to equitable opportunities and life chances

- Healthy Smart City: great transport links with low carbon and active travel opportunities for all
- Vibrant Smart City: more resilient people.

## **1.4 Dynamic City New Start Proposals**

### **1.4.1 Domestic Abuse Safe Accommodation - £10.000m gross, £7.000m net (£3.000m external funding)**

The Council has a statutory duty under Part 4 of the Domestic Abuse Act (2021), to provide appropriate, needs-led provision of safer accommodation for domestic abuse (DA) victims (and their children). This proposal is for the provision of a new 'central hub' accommodation solution replacing current refuge facilities and deliver best practice accommodation in the city, with support of estimated £3m funding from Homes England. The aim is to reduce the number of DA victims (and their children) unable to access refuge provision as a result of their personal circumstances and/or protected characteristics, to reduce the proportion of repeat DA victims (and their children) requiring refuge provision and to increase the proportion of DA victims (and their children) who report improved health and wellbeing outcomes following a refuge placement.

It is anticipated that this provision would provide financial benefits including through accommodation efficiencies compared to existing provision.

Area Outcomes / Benefits and Contribution to Strategic Priority:

The investment will benefit residents city-wide, and will contribute to the following strategic priorities:

- Dynamic Smart City: more and better housing
- Healthy Smart City: access to equitable opportunities and life chances
- Healthy Smart City: reduced health inequalities enabling more people to live healthier longer lives
- Healthy Smart City: people enjoy independent lives
- Vibrant Smart City: more people visiting Sunderland and more residents informing and participating in cultural events, programmes and activities
- Vibrant Smart City: more people feeling safe in their homes and neighbourhoods.

### **1.4.2 Sunnyside Leisure - £2.000m gross**

Following the acquisition of the Sunnyside Leisure property early 2023 and the subsequent administration of Empire Cinemas, funding is sought for the refurbishment and fit-out of property including the three vacant retail units that adjoin the cinema in order to attract new tenants to support the regeneration of the area. Discussions are progressing with a number of potential tenants for these units however it is likely that some form of landlord fit-out contribution will be required. In addition, to support these improvements as well as the emerging Sunnyside masterplan works will also be undertaken to renovate and refurbish the Sunnyside Multi-storey car park to provide a more welcoming arrival point.

Area Outcomes / Benefits and Contribution to Strategic Priority:

The investment will support economic regeneration in the City Centre and will benefit residents city-wide, and will contribute to the following strategic priorities:

- Dynamic Smart City: more and better jobs

- Dynamic Smart City: stronger city centre with more businesses, housing and cultural opportunities
- Healthy Smart City: a cleaner and more attractive city and neighbourhood
- Vibrant Smart City: more people visiting Sunderland and more residents informing and participating in cultural events, programmes and activities.

### **1.4.3 Former Joplings Building- £1.000m**

Building works identified in the building condition survey commissioned as part of the acquisition, are required to make improvements to the aesthetic appearance of the building and to support a long-term investment strategy aligned to the regeneration of the city centre.

The investment will support economic regeneration in the City Centre and will benefit residents city-wide, and will contribute to the following strategic priorities:

- Dynamic Smart City: more and better jobs
- Dynamic Smart City: more and better housing
- Dynamic Smart City: stronger city centre with more businesses, housing and cultural opportunities
- Healthy Smart City: a cleaner and more attractive city and neighbourhood
- Vibrant Smart City: more people visiting Sunderland and more residents informing and participating in cultural events, programmes and activities.

## **1.5 Healthy City New Start Proposals**

### **1.5.1 Farmborough Court Intermediate Care Centre Refurbishment - £0.750m gross**

Farmborough Court Intermediate Care Centre is a purpose-built service which provides up to 42 beds to support adults from the age of 18 who are recovering from illness or injury and has been in operational for over 20 years. The purpose of the service is to support customers who would benefit from a short period of up to 12 weeks with an intense period of rehabilitation to enable customers to get back to their base line, regain skills and confidence and plan for them to return home living in the community. The service is provided free of charge and benefits from an in-house team of experienced and qualified care team as well as occupational therapists, physiotherapists, and social workers, and the service is key to support hospital discharges.

It is proposed to modernise and refurbish the building to enhance the facilities and provide a building which is fit for purpose and can meet the aspirations of the service. Improvements will include refurbishment of the bedrooms and en suite facilities as well as to the kitchens and other communal areas.

Area Outcomes / Benefits and Contribution to Strategic Priority:

The investment will benefit residents city-wide, and will contribute to the following strategic priorities:

- Dynamic Smart City: more and better jobs
- Dynamic Smart City: more and better housing
- Dynamic Smart City: more local people with better qualifications and skills
- Dynamic Smart City: a lower carbon city with greater digital connectivity for all
- Healthy Smart City: access to equitable opportunities and life chances
- Healthy Smart City: reduced health inequalities enabling more people to live healthier longer lives

- Healthy Smart City: people enjoy independent lives
- Vibrant Smart City: more residents participating in their communities
- Vibrant Smart City: more people feeling safe in their homes and neighbourhoods
- Vibrant Smart City: more resilient people.

### **1.5.2 Barnes Park Coffee Stop Café - Conversion of the Building - £0.150m gross**

It is proposed to convert the Barnes Park Coffee Stop Café building to enhance facilities with improvements to both the lower and first floor as well as a conservatory extension. The refurbishment will include the upgrade and expansion of the catering area, an improved seating area by extending the front of the building to increase capacity to 30 diners, provision of a storage facility, and the development on the first floor of an airconditioned refrigeration room, meeting room and office.

Area Outcomes / Benefits and Contribution to Strategic Priority:

The investment will directly benefit residents in West Sunderland and also to residents city-wide, and will contribute to the following strategic priorities:

- Dynamic Smart City: more local people with better qualifications and skills
- Healthy Smart City: access to equitable opportunities and life chances
- Healthy Smart City: people enjoy independent lives
- Vibrant Smart City: more residents participating in their communities
- Vibrant Smart City: more people visiting Sunderland and more residents informing and participating in cultural events, programmes and activities.

## **1.6 Vibrant City New Start Proposals**

### **1.6.1 Leisure Facilities - £6.102m gross, £6.027m net (£0.075m external funding)**

It is proposed to invest into a series of improvements at leisure facilities across the city to ensure a financially sustainable leisure provision, that provides significant contribution to the vision for establishing “An Active Sunderland – a city where everyone is as active as they can be. In addition, this investment will ensure the leisure provision meets its statutory obligations with lifecycle maintenance, and that the standard of the leisure offers meets the needs of the customers as well as reduce the carbon footprint of the leisure facilities and contribute to the goal of net zero by 2035. Improvements include:

- Gym refurbishments - replace all equipment and change the layout/branding of the facilities at all the of the facilities,
- Silksworth Athletics Track - replace the track and add a fence to protect track from vandalism,
- Changing room refurbishments – upgrades at Sunderland Aquatic Centre, Silksworth Tennis Centre, Hetton, Houghton, Raich Carter, Washington & Silksworth Ski,
- Mechanical & electrical lifecycle works to the Sunderland Aquatic Centre, and
- Energy saving - LED light replacement for outdoor courts, installation of Solar PV at Hetton, Raich Carter and Silksworth Tennis.

The delivery of works will be undertaken by Everyone Active, the Council’s partner in delivering leisure services. The investment values above are the contributions to Everyone Active from Council resources as well as any grants that the Council may secure to support this project. At this stage, a contribution of £0.075m funding is anticipated from UK Athletics for Silksworth Athletics Track and a bid for further funding will be made to support the energy saving works. Everyone Active will provide £2.118m funding bringing the total expected investment to £8.220m.

Area Outcomes / Benefits and Contribution to Strategic Priority:

The investment will benefit residents city-wide, and will contribute to the following strategic priorities:

- Dynamic Smart City: a lower carbon city with greater digital connectivity for all
- Healthy Smart City: access to equitable opportunities and life chances
- Healthy Smart City: reduced health inequalities enabling more people to live healthier longer lives
- Healthy Smart City: people enjoy independent lives
- Vibrant Smart City: more residents participating in their communities
- Vibrant Smart City: more resilient people.

## **2.0 Highways Capital Funding 2024/2025**

### **2.1 Highways Maintenance & Local Transport Plan Allocations**

Government announced in 2019 that eight eligible English city regions would receive £4.2bn of additional national funding over a 5-year period for local transport networks via the new City Region Sustainable Transport Settlement (CRSTS). The Autumn 2021 Budget confirmed that £5.7bn nationally will be provided through the CRSTS, with the additional £1.5bn nationally allocated to replace current allocations for the Integrated Transport Block (ITB) and Highways Maintenance funding, including the Potholes Action Fund.

On 28<sup>th</sup> December 2022, the Department for Levelling Up, Housing and Communities offered a minded to devolution deal to the North East which would unlock billions of pounds of investment and see additional powers transferred from Whitehall to a new combined authority consisting of the 5 Tyne & Wear Authorities, as well as County Durham and Northumberland. Subject to the relevant approvals, the deal would provide £4.2bn of funding over 30 years to the Mayoral Combined Authority, including £0.9bn for transport inclusive of the above CRSTS. It is expected a Mayoral election would take place in May 2024 and a new Mayoral Combined Authority formed. Funding for highways maintenance in North of Tyne and the North East combined authorities is currently allocated to the 7 individual authorities in these areas. As a result, this funding has been allocated to those authorities. Following the establishment of the new North East Mayoral Combined Authority (NEMCA), future funding will be allocated to that combined authority. Further to the annual local highways maintenance and transport funding, there is £147m CRSTS round 1 capital funds available for regional transport priority schemes from 2024/2025 to 2026/2027. These schemes will be considered by NEMCA with full approval of business cases expected at the end of 2024. To support bids for those schemes, revenue funding for design work has been allocated by Transport North East with Sunderland's allocation being £0.552m.

In addition, the Network North announcement on 4<sup>th</sup> October 2023 included a commitment to an additional £8.3bn for local highways maintenance and other asset management priorities from 2023/2024 to 2033/2034. The first £150million of this has been distributed in 2023/2024 - the Department for Transport confirmed Sunderland's additional allocation of £0.525m for both 2023/2024 and 2024/2025.

## 2.2 Active Travel Fund

The Council have secured revised total allocations of £8.092m Active Travel Fund for use in 2022/2023 to 2024/2025 distributed via the North East Combined Authority, for cycleways at A183 Whitburn Rd, A183 Dame Dorothy Street and European Way / Pallion New Road.

## 2.3 Funding Allocations

The table below details the Highways Capital Funding for 2023/2024 and provisional allocations for 2024/2025 with CRSTS being subject to NEMCA approval.

| Funding Source                                       |  | 2023/2024<br>£'000 | 2024/2025<br>£'000 |
|--|--|--------------------|--------------------|
| City Region Sustainable Transport Settlement (CRSTS) | Highways Capital Maintenance                     | 1,835              | 1,835              |
|  | Highways Capital Maintenance – Incentive Funding | 459                | 459                |
|  | Pot Hole Action Fund                             | 1,835              | 1,835              |
|  | Highways Integrated Transport                    | 1,618              | 1,618              |
|  | Nexus Allocation                                 | 42                 | 42                 |
| Pot Hole Action Fund                                 |  | 734                | 0                  |
| Network North – Highways and Structures Maintenance  |  | 525                | 525                |
| <b>Total Transport</b>                               |  | <b>7,048</b>       | <b>6,314</b>       |

The total funding for transport schemes for 2024/2025 from new grants is £6.314m.

## 2.4 Proposals for Highways Capital Programme New Starts 2024/2025

The Capital Programme external funding for 2024/2025 of **£6.314m** is proposed to support the following priorities:

- The structural maintenance of highways – £4.272m (including £0.109m contribution to fund the regional Urgent Traffic Management Control services);
- The structural maintenance of bridges – £0.382m;
- Economic development and regeneration by managing congestion; supporting safe and sustainable communities through improving road safety and improving access; and addressing climate change by promoting sustainable travel - £1.618m (including £0.063m contribution to fund the regional transport team); and
- Public transport infrastructure improvements, Nexus funded - £0.042m.

## 3.0 Adult Social Care Capital 2024/2025

- 3.1 The Disabled Facilities Grant allocation for 2024/2025 as not yet been announced. However, a provisional allocation for this year is to be included in the Capital Programme based on the 2023/2024 allocation of £4.055m Disabled Facilities Grant, supplemented by £0.100m from Gentoo, providing **£4.155m** for Disabled Facilities Grants.

This Disabled Facilities Grants allocation is from the £573m million available nationally and it is expected that a further £52m will be provided nationally following the further £50m in 2023/2024, of which Sunderland's allocation was £0.354m – any additional allocation confirmed will be reported through the Capital Programme Reviews in 2024/2025.

## 4.0 Children’s Services - Education Capital 2024/2025

4.1 The table below details the Children’s Education Government provisional and announced grants for 2024/2025, with a comparison to 2023/2024.

|  | <b>2023/24<br/>£’000</b> | <b>2024/25<br/>£’000</b> |
|--|--------------------------|--------------------------|
| Schools Condition Allocation (SCA)           | 1,500                    | 1,500*                   |
| Education Basic Need                         | 0                        | 0                        |
| Schools Devolved Funding (DFC)               | 288                      | tbc                      |
| High Needs Capital Funding                   | 2,488                    | tbc                      |
| Early Years - Wraparound Childcare Programme | 457                      | 0                        |
| <b>Total Children’s Services</b>             | <b>4,733</b>             | <b>1,500</b>             |

*\*provisional*

### 4.2 Schools Devolved Formula Capital (DFC)

DFC is funding for schools for capital spend delegated to them to spend against their priorities.

### 4.3 Schools Conditions Allocation (SCA)

The Schools Condition Allocation is provided to the Council for the maintenance / improvement of maintained schools. Academies and Voluntary Aided (VA) schools receive this funding direct from the Department of Education and determine their own spending plans. As of January 2024, the Council has not yet received confirmation of the value of its Schools Condition Allocation for 2024/2025 but a provisional allocation of £1.500m has been included in the Capital Programme, being the same value as the 2023/2024 allocation.

Separate to the above, the voluntary-aided sector is allocated grant funding based on pupil numbers and reflecting the governors’ 10 per cent contribution and eligibility for VAT for Schools Condition Allocation. This is to be spent on the priorities that those schools determine.

### 4.4 Basic Need

The Council remains the responsible body for receiving and managing the city’s Basic Need funding. This funding is for all publicly funded schools in the city (including Academies, Free Schools and VA schools). Basic Need funding, although not ring fenced, is intended to ensure additional school places can be provided where needed. Allocations to local authority areas for the period 2023 – 2026 were announced in July 2023. Based on the allocations the Council will not receive any Basic Need funding for 2024/2025 or 2025/2026.

### 4.5 Early Years Wrap Around

In Spring 2023 the Government announced the introduction of 30 hours of free childcare for children over the age of nine months. This will be introduced in phases with qualifying working parents of 2-year-olds able to access 15 hours a week from April 2024, qualifying working parents of children aged 9-months up to 3-years-old able to access 15 hours a week from September 2024, and qualifying working parents of children from 9 months to 3 years-old able to access 30 hours a week from September 2025.

The Department for Education (DfE) announced on 30th November 2023 a capital grant for childcare expansion, with the Council's allocation confirmed as £0.457m. Sufficiency of existing places and projected areas for expansion are currently being established.

#### 4.6 Funding Availability from 2024/2025

##### 4.6.1 Current allocations:

As of January 2024, there is £4.385m funding across the Council's Schools Condition Allocation and Basic Needs Education Capital grant allocations (received for the period up to 2023/2024). £3.499m is profiled for use against planned projects in 2023/2024, £0.300m in 2024/2025, and £0.586m has been retained to support condition requirements in schools. This is generally held as a contingency to ensure the Council can respond to immediate and unplanned condition needs that may arise across the year.

As of January 2024, there is £1.998m of Higher Needs funding profiled to be spent in 2024/2025. This funding was provided to increase the number of or improve the quality of existing school places for children with special educational needs. This balance has been allocated to the relocation of Barbara Priestman Academy new start proposal detailed elsewhere in this report.

##### 4.6.2 2024/2025 allocations:

The allocations for 2024/2025, confirmed and provisional are:

- Basic Needs funding £0;
- Schools Condition Allocation (SCA) £1.500m; and
- High Needs Capital Funding £0.
- Total £1.500m.

The 2024/2025 SCA allocation of **£1.500m** is not yet committed to projects and therefore available for new and emerging schools' asset management priorities from that year's allocation; these will include schools maintenance works with a number of schools requiring significant works.

Upon confirmation of the 2024/2025 allocations, the Capital Programme will be updated. Capital investment requirements from these grant allocations will be submitted to Cabinet for approval, where required.



**Capital Programme  
Summary of Programme 2023/2024 to 2027/2028**

| Expenditure by Portfolio           | Gross Cost<br>£'000 | Expend. to<br>31.3.23<br>£'000 | Estimated Payments |                    |                    |                    |                    |
|------------------------------------|---------------------|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                                    |                     |                                | 2023/2024<br>£'000 | 2024/2025<br>£'000 | 2025/2026<br>£'000 | 2026/2027<br>£'000 | 2027/2028<br>£'000 |
| Deputy Leader and Clean Green City | 285,609             | 128,919                        | 28,423             | 68,138             | 43,135             | 9,464              | 7,530              |
| Cabinet Secretary                  | 85,989              | 40,037                         | 12,610             | 13,196             | 11,427             | 8,719              | 0                  |
| Children's Learning and Skills     | 52,341              | 16,063                         | 15,119             | 7,239              | 6,670              | 7,250              | 0                  |
| Dynamic City                       | 622,766             | 255,897                        | 121,101            | 92,636             | 58,209             | 64,791             | 30,132             |
| Healthy City                       | 28,777              | 13,047                         | 6,762              | 8,718              | 250                | 0                  | 0                  |
| Vibrant City                       | 89,083              | 24,398                         | 9,365              | 24,892             | 19,729             | 9,145              | 1,554              |
| <b>TOTAL CAPITAL EXPENDITURE</b>   | <b>1,164,565</b>    | <b>478,361</b>                 | <b>193,380</b>     | <b>214,819</b>     | <b>139,420</b>     | <b>99,369</b>      | <b>39,216</b>      |

## CAPITAL PROGRAMME

| Source of Finance   | Estimated Resources |                |                |               |               |
|---|---------------------|----------------|----------------|---------------|---------------|
|   | 2023/24             | 2024/25        | 2025/26        | 2026/27       | 2027/28       |
|   | £'000               | £'000          | £'000          | £'000         | £'000         |
| <b>FROM EXTERNAL SOURCES</b>                                |                     |                |                |               |               |
| <b>Loans</b>  |                     |                |                |               |               |
| Prudential Borrowing  | 100,065             | 160,330        | 122,529        | 88,532        | 39,216        |
| <b>Government Grants</b>                                    |                     |                |                |               |               |
| DoH&SC - Disabled Facilities                                | 4,605               | 4,409          | 0              | 0             | 0             |
| DfE - School's Condition Allocation Grant                   | 3,275               | 1,800          | 0              | 0             | 0             |
| DfE - Basic Need Grant                                      | 810                 | 0              | 0              | 0             | 0             |
| DfE - Schools DFC Grant                                     | 875                 | 537            | 0              | 0             | 0             |
| DfE - High Needs Capital                                    | 1,087               | 700            | 750            | 1,248         | 0             |
| DfE - Early Years grants                                    | 0                   | 457            | 0              | 0             | 0             |
| DfE - Other Grants  | 152                 | 0              | 0              | 0             | 0             |
| DfT - Local Transport Plan (LTP)                            | 3,912               | 3,912          | 0              | 0             | 0             |
| DfT - Pothole Grant   | 2,569               | 1,835          | 0              | 0             | 0             |
| DfT - Network North Highways & Structures Maintenance grant | 525                 | 525            | 0              | 0             | 0             |
| DfT - Transforming Cities Fund                              | 3,429               | 1,225          | 0              | 0             | 0             |
| DfT - Active Travel Fund                                    | 3,350               | 3,719          | 0              | 0             | 0             |
| DLUHC - UK Shared Prosperity Fund (UKSPF)                   | 1,177               | 1,985          | 0              | 0             | 0             |
| DLUHC - Future High Street Fund (FHSF)                      | 9,426               | 10,121         | 0              | 0             | 0             |
| DLUHC - Levelling Up Fund (LUF)                             | 6,578               | 6,905          | 0              | 0             | 0             |
| DLUHC - Brownfield Land Release Fund (BLRF)                 | 5,778               | 0              | 0              | 0             | 0             |
| DLUHC - Changing Places Fund                                | 300                 | 0              | 0              | 0             | 0             |
| DLUHC General   | 3,380               | 0              | 0              | 0             | 0             |
| DSIT (Dept for Science, Innovation & Technology) grants     | 3,251               | 3,911          | 0              | 0             | 0             |
| DESNZ (Dept for Energy Security and Net Zero) grants        | 2,237               | 1,600          | 0              | 0             | 0             |
| Government Grants General                                   | 372                 | 0              | 0              | 0             | 0             |
| <b>Grants from Other Public Bodies</b>                      |                     |                |                |               |               |
| National Lottery Heritage Fund (NLHF)                       | 423                 | 210            | 2,320          | 2,319         | 0             |
| European Regional Development Fund (ERDF)                   | 2,195               | 0              | 0              | 0             | 0             |
| Nexus LTP   | 42                  | 42             | 0              | 0             | 0             |
| Homes England - Housing Infrastructure Fund (HIF)           | 6,908               | 0              | 0              | 0             | 0             |
| Historic England  | 60                  | 2,118          | 0              | 0             | 0             |
| Homes England - Other                                       | 905                 | 3,661          | 9,210          | 7,270         | 0             |
| Environment Agency  | 3,961               | 796            | 0              | 0             | 0             |
| Warm Homes Fund   | 31                  | 0              | 0              | 0             | 0             |
| NELEP   | 91                  | 0              | 0              | 0             | 0             |
| Arts Council  | 199                 | 150            | 0              | 0             | 0             |
| <b>Other External Funding</b>                               |                     |                |                |               |               |
| Gentoo  | 100                 | 100            | 0              | 0             | 0             |
| CCG   | 322                 | 0              | 0              | 0             | 0             |
| Nexus   | 1,432               | 0              | 0              | 0             | 0             |
| Innovate UK   | 211                 | 365            | 0              | 0             | 0             |
| Other Grants General  | 332                 | 165            | 0              | 0             | 0             |
| Other Capital Contributions                                 | 5                   | 0              | 0              | 0             | 0             |
| <b>Total External Sources</b>                               | <b>174,370</b>      | <b>211,578</b> | <b>134,809</b> | <b>99,369</b> | <b>39,216</b> |
| <b>FROM INTERNAL SOURCES</b>                                |                     |                |                |               |               |
| <b>Revenue Contributions</b>                                |                     |                |                |               |               |
| Neighbourhood Fund  | 124                 | 0              | 0              | 0             | 0             |
| Directorate   | 161                 | 0              | 0              | 0             | 0             |
| <b>Reserves</b>   |                     |                |                |               |               |
| Strategic Investment Reserve                                | 721                 | 0              | 0              | 0             | 0             |
| S106 Reserves   | 1,918               | 574            | 0              | 0             | 0             |
| Capital Priorities Reserve                                  | 2,500               | 25             | 50             | 0             | 0             |
| HCA Riverside Reserve                                       | 8,934               | 0              | 0              | 0             | 0             |
| Culture House AV Reserve                                    | 0                   | 0              | 3,000          | 0             | 0             |
| Other Capital Reserves                                      | 1,442               | 260            | 0              | 0             | 0             |
| <b>Capital Receipts</b>                                     | <b>3,210</b>        | <b>2,382</b>   | <b>1,561</b>   | <b>0</b>      | <b>0</b>      |
| <b>Total Internal Sources</b>                               | <b>19,010</b>       | <b>3,241</b>   | <b>4,611</b>   | <b>0</b>      | <b>0</b>      |
| <b>TOTAL FINANCING</b>                                      | <b>193,380</b>      | <b>214,819</b> | <b>139,420</b> | <b>99,369</b> | <b>39,216</b> |

**DEPUTY LEADER & CLEAN GREEN CITY  
CAPITAL PROGRAMME**

| Project Ref. No.                      | Project  | Project Description   | Project Sponsor | Gross Cost | Expend to 31.3.23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|---------------------------------------|--|---|-----------------|------------|-------------------|---------|---------|---------|---------|---------|
|                                       |  |   |                 | £'000      | £'000             | £'000   | £'000   | £'000   | £'000   | £'000   |
| <b>Continuing Projects</b>            |  |   |                 |            |                   |         |         |         |         |         |
| <b>Strategic Economic Development</b> |  |   |                 |            |                   |         |         |         |         |         |
| CP0139                                | Investment Corridors                             | Infrastructure improvements in and around High Street West, including new street lighting and street furniture, and new high-quality paving materials. Further works dependant on City Centre Movement Strategy.  | A Crabb         | 9,200      | 6,933             | 67      | 2,200   | 0       | 0       | 0       |
| CP0142                                | International Advanced Manufacturing Park (IAMP) | Development of an International Advanced Manufacturing Park (IAMP) set to create over 5,000 jobs and attract over £400 million investment, building on links with local businesses to create an advanced manufacturing centre of excellence for the North East. IAMP is a joint venture between Sunderland and South Tyneside councils and is being jointly promoted by IAMP LLP, a JV company comprising both local authorities.             | P McIntyre      | 57,754     | 39,587            | 2,355   | 15,812  | 0       | 0       | 0       |
| CP0203                                | Energy Masterplan & Feasibility Assessment       | Development of a Full Business Case for a low carbon city centre heat network, building upon the findings of previous feasibility work, utilising the thermal energy stored within the former workings of Wearmouth Colliery. Key to this next stage are the drilling of pilot boreholes to prove source and concept  | C Mordue        | 2,577      | 547               | 430     | 1,600   | 0       | 0       | 0       |
| CP0266                                | Vaux Phase 1 (Beam)                              | Development of the first office building - The Beam - of 60,000 sq. ft. over 5 floors on the former Vaux site, and infrastructure works to roads and footpaths. The building opened in 2019, with the remaining funding to be used for the finalisation of fit-out works.   | N Guthrie       | 25,812     | 25,310            | 502     | 0       | 0       | 0       | 0       |
| CP0493                                | Scheme Feasibility & Design                      | Feasibility and Design works for a number of strategically important projects to support the economic regeneration of the City Centre and wider city including a new Wear Footbridge, additional Railway Station Development, Vaux Developments, Smart Connected Cities and Holmeside Developments. Proposals to proceed with any projects following feasibility are subject to reports to Cabinet for consideration at the appropriate time. | A Crabb         | 7,636      | 3,714             | 1,000   | 803     | 2,119   | 0       | 0       |

**DEPUTY LEADER & CLEAN GREEN CITY  
CAPITAL PROGRAMME**

| Project Ref. No. | Project  | Project Description  | Project Sponsor | Gross Cost | Expend to 31.3.23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|------------------|--|--|-----------------|------------|-------------------|---------|---------|---------|---------|---------|
|                  |  |  |                 | £'000      | £'000             | £'000   | £'000   | £'000   | £'000   | £'000   |
| CP0494           | Sunderland Eye Infirmary                       | Development of a Sunderland Eye Infirmary to be located on the Riverside Sunderland site, and to be supported by a long-term lease arrangement subject to agreement with the tenant.   | A Crabb         | 71,850     | 4,937             | 5,449   | 31,273  | 30,191  | 0       | 0       |
| CP0556           | Microgrid Backbone                             | Significant energy infrastructure enabling works at the International Advanced Manufacturing Park (IAMP). The works, fully funded by a grant from the Department for Energy Security and Net Zero, include diversion of National Grid infrastructure (towers) to remove an obstruction from the IAMP development site to maximise the land available to enable optimum construction and operation of up to 4m square feet of Gigafactory development as part of the UK's first EV Hub. It also covers progression of development work to secure additional power supplied via a direct connection to National Grid on IAMP with an associated distribution sub-station which is designed to enable further development of an energy microgrid securing cost competitive energy with the ability to scale-up renewable energy supply. | C Auld          | 14,951     | 13,144            | 1,807   | 0       | 0       | 0       | 0       |
| <b>Port</b>      |  |  |                 |            |                   |         |         |         |         |         |
| CP0313           | Port Enterprise Zone                           | 20 acres of land on two sites in the Port of Sunderland have been approved to form part of the North East's Enterprise Zones (round 2). Provision of enabling works will provide a development platform to prospective inward investors looking to take advantage of a port location and its multimodal operational facilities in sectors such as advanced manufacturing, automotive, construction and offshore renewable energy.  | M Hunt          | 8,201      | 7,731             | 470     | 0       | 0       | 0       | 0       |
| CP0440           | Port General Infrastructure, Equipment & Plant | Investment in infrastructure, plant and equipment will be used to support the on-going operational requirements of the Port, including addressing minor plant/machinery investment, health and safety, and general infrastructure requirements as they arise.  | M Hunt          | 795        | 794               | 1       | 0       | 0       | 0       | 0       |

**DEPUTY LEADER & CLEAN GREEN CITY  
CAPITAL PROGRAMME**

| Project Ref. No.             | Project  | Project Description   | Project Sponsor | Gross Cost | Expend to 31.3.23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|------------------------------|--|---|-----------------|------------|-------------------|---------|---------|---------|---------|---------|
|                              |  |   |                 | £'000      | £'000             | £'000   | £'000   | £'000   | £'000   | £'000   |
| CP0491                       | Port Warehousing Developments                  | Construction of industrial warehousing at the Port of Sunderland to meet expanding demand for both leased space and undercover cargo storage capacity that will improve the Port's commercial offer. This will also help position the Port to attract long term tenants linked to opportunities arising from market opportunities as identified in the Port's Business Plan from the commodity, circular economy and offshore oil, gas and renewable supply chains.   | M Hunt          | 2,500      | 859               | 141     | 1,500   | 0       | 0       | 0       |
| CP0599                       | Port General Infrastructure, Equipment & Plant | Provision to undertake minor infrastructure works on the Port estate and to fund the purchase of plant and machinery in support of the Port's cargo, engineering and marine operations. It is planned that this funding will continue to allow for efficiency in all aspects of Port operations to support the delivery of the Port's Business Plan objectives and provide for a safe and secure environment for Port employees, tenants and users. The funding would also deliver essential repair work to the eastern end of the Corporation Quay as well feasibility work into repair works on the Sheers Quay to determine scope and costs. | M Hunt          | 1,300      | 0                 | 448     | 252     | 300     | 300     | 0       |
| <b>Economic Regeneration</b> |  |   |                 |            |                   |         |         |         |         |         |
| CP0103                       | Provision for Economic Development             | Provision for financial assistance for inward investment and job growth in order to lever significant job creation and private sector investments. Growth areas including IAMP may require assistance packages over coming years.   | C Auld          | 2,717      | 836               | 881     | 1,000   | 0       | 0       | 0       |
| CP0611                       | UKSPF - External Grants                        | The Council is Lead Authority for the management and administration of Sunderland's UK Shared Prosperity Fund (UKSPF) programme, the replacement of European Programmes. This project refers to the UKSPF grants that has been allocated to specific schemes delivered by external organisations under the following themes of Community and Place and Supporting Local Business.   | C Auld          | 1,847      | 0                 | 508     | 1,339   | 0       | 0       | 0       |

**DEPUTY LEADER & CLEAN GREEN CITY  
CAPITAL PROGRAMME**

| Project Ref. No.                            | Project   | Project Description   | Project Sponsor | Gross Cost | Expend to 31.3.23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|---|---|---|-----------------|------------|-------------------|---------|---------|---------|---------|---------|
|   |   |   |                 | £'000      | £'000             | £'000   | £'000   | £'000   | £'000   | £'000   |
| <b>Flood &amp; Coast Risk Management</b>    |   |   |                 |            |                   |         |         |         |         |         |
| CP0160                                      | Flood and Extreme Weather Mitigation            | Rolling programme of flood defence and flood alleviation schemes in accordance with the flood priority list and extreme weather repairs, as well as providing match funding for external funding available through central government for flood alleviation schemes to protect properties, businesses and infrastructure.   | C Mordue        | 8,352      | 2,878             | 4,678   | 796     | 0       | 0       | 0       |
| CP0357                                      | Coastal Defence - Strategic Frontage 3          | Coastal defence scheme situated around the east of the Port which will protect the Port's infrastructure. The delivery of the project in full is reliant upon successful external funding bids.   | C Mordue        | 7,570      | 3,106             | 2,100   | 2,364   | 0       | 0       | 0       |
| CP0602                                      | Nobles Quay Replacement                         | Reconstruction of Nobles Quay which is in need of repair. Nobles Quay is one of the quays located on the south side of the river in the east end of the city and is one of the oldest quays remaining in the city dating back to early 1800's.  | C Mordue        | 3,000      | 0                 | 300     | 2,700   | 0       | 0       | 0       |
| <b>Infrastructure and Commercial Design</b> |   |   |                 |            |                   |         |         |         |         |         |
| CP0429                                      | Riverside Animation                             | A programme of works establishing a focus for River based leisure activities with Sunderland University on the North Bank of the Wear adjacent to the St Peters Campus.   | C Mordue        | 500        | 115               | 385     | 0       | 0       | 0       | 0       |
| <b>Fleet Management</b>                     |   |   |                 |            |                   |         |         |         |         |         |
| CP0353                                      | Refuse Collection Vehicle Replacement Programme | Planned replacement of the fleet of 24 refuse collection vehicles at the forecast end of life plus 1 pilot electric RCV which will support the Council becoming carbon neutral by 2030. Consideration will be given at the time of purchase to electric / hybrid options. This investment into the Refuse Collection Vehicle (RCV) fleet is planned to meet increasing demands from housebuilding and commercial waste. | M Morley        | 5,110      | 4,921             | 189     | 0       | 0       | 0       | 0       |

**DEPUTY LEADER & CLEAN GREEN CITY  
CAPITAL PROGRAMME**

| Project Ref. No.             | Project  | Project Description   | Project Sponsor | Gross Cost | Expend to 31.3.23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|------------------------------|--|---|-----------------|------------|-------------------|---------|---------|---------|---------|---------|
|                              |  |   |                 | £'000      | £'000             | £'000   | £'000   | £'000   | £'000   | £'000   |
| CP0354                       | Specialist (Large) Vehicle Replacement Programme   | Planned replacement of large specialist vehicle and plant fleet purchases in order to ensure most efficient use of resources. Consideration will be given to purchase of electric / hybrid options.   | M Morley        | 1,932      | 1,402             | 530     | 0       | 0       | 0       | 0       |
| CP0423                       | Environmental Services Vehicles and Equipment      | A series of investments in vehicles and equipment is proposed to support the Place Management Service Operations including:<br>o Replace existing specialist vehicle and plant fleet which will come to the end of their planned operational life.<br>o Purchase new additional vehicles and equipment to support planned changes in front line service delivery in line with Council priority to improve local environment quality.<br>o Fit safety equipment to the fleet of large goods vehicles.<br>o Replacement wheel bin and recycling containers.<br>o Provision of a Vehicle and Equipment Management Information System to improve operational efficiency, track and inventory all equipment to ensure safe maintenance, operation and reduce asset loss. | M Morley        | 3,108      | 2,640             | 468     | 0       | 0       | 0       | 0       |
| CP0601                       | Vehicle, Plant and Equipment Replacement Programme | To replace the current fleet due to come to the end of its useful life for owned vehicles and also current vehicles, plant and equipment under hire/lease agreements that will cease.   | M Morley        | 17,300     | 0                 | 817     | 4,497   | 9,600   | 2,386   | 0       |
| <b>Waste Management</b>      |  |   |                 |            |                   |         |         |         |         |         |
| CP0352                       | Replacement Household Waste and Recycling Centre   | Provision of a new household waste facility at Pallion Industrial Estate, which opened February 2022. The site also includes a re-use shop which opened Summer 2022.  | M Morley        | 5,562      | 5,514             | 48      | 0       | 0       | 0       | 0       |
| <b>Parks and Open Spaces</b> |  |   |                 |            |                   |         |         |         |         |         |
| CP0161                       | Improvements to the Crematorium                    | Physical and structural improvements to the Crematorium.  | M Morley        | 107        | 62                | 45      | 0       | 0       | 0       | 0       |
| CP0285                       | Parks & Cemetery Infrastructure - Paths            | Provision for a repair inspection and maintenance programme in cemeteries and parks.  | M Morley        | 300        | 279               | 21      | 0       | 0       | 0       | 0       |
| CP0299                       | Play and Urban Games                               | Improvement works to play areas across the city.  | P McIntyre      | 1,887      | 922               | 965     | 0       | 0       | 0       | 0       |

**DEPUTY LEADER & CLEAN GREEN CITY  
CAPITAL PROGRAMME**

| Project Ref. No. | Project   | Project Description   | Project Sponsor | Gross Cost | Expend to 31.3.23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|------------------|---|---|-----------------|------------|-------------------|---------|---------|---------|---------|---------|
|                  |   |   |                 | £'000      | £'000             | £'000   | £'000   | £'000   | £'000   | £'000   |
| CP0474           | Roker Park Lodge                                      | Restoration of Roker Park Lodge to provide a café on the ground floor with associated external improvements to provide an outside eating area and kitchen garden. The project will contribute to continued improvements in the seafront area.   | P McIntyre      | 870        | 145               | 725     | 0       | 0       | 0       | 0       |
| CP0444           | Pocket Park - Doxford Park                            | Creation of an outdoor space within Doxford Park by thinning out / making good existing areas of planting. This will be supplemented with new scrub and woodland planting and the creation of a mix of native habitats and an increase in biodiversity. In addition, there will be provision of an educational zone and improvements to existing paths.   | P McIntyre      | 26         | 21                | 5       | 0       | 0       | 0       | 0       |
| CP0504           | Urban Tree Challenge Fund                             | Increase tree cover in key parts of Sunderland that have been identified as having a combination of low tree cover, poorer quality urban environments and areas with social and economic deprivation.   | P McIntyre      | 173        | 137               | 36      | 0       | 0       | 0       | 0       |
| CP0517           | Elemore Green Space and Social Enterprise Development | Development of the former Elemore Golf Course at Hetton. Capital improvement works are to the former golf club, car park, the wider landscape of the park areas including outdoor play facilities, signage and interpretation and seating, whilst also protecting the extensive ecology which has developed on the site over time, reduce anti-social behaviour and celebrate the heritage of the area. This will enable a social enterprise to become mobilised on site, delivering initially from the refurbished golf club house and ensuring the long-term sustainability of the Elemore Green Space. | P McIntyre      | 1,697      | 1,070             | 377     | 250     | 0       | 0       | 0       |
| CP0522           | Parks and Open Spaces                                 | This project supports a Citywide Parks and Open Spaces Strategy to improve open spaces infrastructure. Parks and greenspaces are being enhanced at a number of locations citywide.  | P McIntyre      | 3,379      | 1,224             | 2,155   | 0       | 0       | 0       | 0       |
| CP0597           | Allotments Improvements                               | Improvements to Allotments throughout various locations across the City.  | M Dixon         | 400        | 7                 | 60      | 333     | 0       | 0       | 0       |
| CP0627           | Trees Planting Programme                              | Tree planting programme.  | C Auld          | 310        | 0                 | 310     | 0       | 0       | 0       | 0       |



**DEPUTY LEADER & CLEAN GREEN CITY  
CAPITAL PROGRAMME**

| Project Ref. No.  | Project  | Project Description   | Project Sponsor | Gross Cost<br>£'000 | Expend to<br>31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|---|--|---|-----------------|---------------------|-------------------------------|------------------|------------------|------------------|------------------|------------------|
|   | <b>Bereavement Services</b>                                      |   |                 |                     |                               |                  |                  |                  |                  |                  |
| CP0473  | Redevelopment of Bishopwearmouth Crematorium                     | Provision for a refurbished crematorium with extended car parking facilities, that will be more efficient to operate and maintain. This will help improve the experience for users whilst also affording the opportunity to reduce future running and maintenance costs.      | M Morley        | 7,500               | 84                            | 150              | 279              | 925              | 6,062            | 0                |
| <b>TOTAL CONTINUING PROJECTS</b>                                    |  |   |                 | <b>276,223</b>      | <b>128,919</b>                | <b>28,423</b>    | <b>66,998</b>    | <b>43,135</b>    | <b>8,748</b>     | <b>0</b>         |
| <b>PROJECTS COMMENCING 2024/25</b>                                  |  |   |                 |                     |                               |                  |                  |                  |                  |                  |
|   | <b>Parks and Open Spaces</b>                                     |   |                 |                     |                               |                  |                  |                  |                  |                  |
| CP0617  | Herrington Country Park - Car Park                               | Increase and improve parking offer within the park, due to increased usage and demand.  | C Mordue        | 900                 | 0                             | 0                | 900              | 0                | 0                | 0                |
|   | <b>Bereavement Services</b>                                      |   |                 |                     |                               |                  |                  |                  |                  |                  |
| CP0473  | Redevelopment of Bishopwearmouth Crematorium - additional budget | Provision for a refurbished crematorium with extended car parking facilities, that will be more efficient to operate and maintain. This will help improve the experience for users whilst also affording the opportunity to reduce future running and maintenance costs.      | M Morley        | 8,146               | 0                             | 0                | 0                | 0                | 666              | 7,480            |
|   | <b>Regulatory Services</b>                                       |   |                 |                     |                               |                  |                  |                  |                  |                  |
| CP0618  | Regulatory Services Infrastructure                               | Necessary infrastructure to allow Regulatory Services to fulfil statutory requirements. This will include new public spaces protection orders signage, city centre re-deployable CCTV cameras, an antisocial behaviour case management system and noise monitoring equipment. | M Dixon         | 340                 | 0                             | 0                | 240              | 0                | 50               | 50               |
| <b>TOTAL PROJECTS COMMENCING 2024/25</b>                            |  |   |                 | <b>9,386</b>        | <b>0</b>                      | <b>0</b>         | <b>1,140</b>     | <b>0</b>         | <b>716</b>       | <b>7,530</b>     |
| <b>TOTAL DEPUTY LEADER &amp; CLEAN GREEN CITY CAPITAL PROGRAMME</b> |  |   |                 | <b>285,609</b>      | <b>128,919</b>                | <b>28,423</b>    | <b>68,138</b>    | <b>43,135</b>    | <b>9,464</b>     | <b>7,530</b>     |

**DEPUTY LEADER & CLEAN GREEN CITY  
CAPITAL PROGRAMME**

| Source of Finance                                    | Estimated Resources |               |               |              |              |
|--|---------------------|---------------|---------------|--------------|--------------|
|  | 2023/24             | 2024/25       | 2025/26       | 2026/27      | 2027/28      |
|  | £'000               | £'000         | £'000         | £'000        | £'000        |
| <b>FROM EXTERNAL SOURCES</b>                         |                     |               |               |              |              |
| <b>Loans</b>   |                     |               |               |              |              |
| Prudential Borrowing                                 | 15,507              | 64,266        | 43,135        | 9,464        | 7,530        |
| <b>Government Grants</b>                             |                     |               |               |              |              |
| DLUHC - UK Shared Prosperity Fund (UKSPF)            | 508                 | 1,339         | 0             | 0            | 0            |
| DLUHC - Levelling Up Fund (LUF)                      | 29                  | 0             | 0             | 0            | 0            |
| DESNZ (Dept for Energy Security and Net Zero) grants | 2,237               | 1,600         | 0             | 0            | 0            |
| Government Grants General                            | 383                 | 0             | 0             | 0            | 0            |
| <b>Grants from Other Public Bodies</b>               |                     |               |               |              |              |
| Environment Agency                                   | 3,961               | 796           | 0             | 0            | 0            |
| <b>Other External Funding</b>                        |                     |               |               |              |              |
| CCG  | 322                 | 0             | 0             | 0            | 0            |
| Other Capital Contributions                          | 5                   | 0             | 0             | 0            | 0            |
| <b>Total External Sources</b>                        | <b>22,952</b>       | <b>68,001</b> | <b>43,135</b> | <b>9,464</b> | <b>7,530</b> |
| <b>FROM INTERNAL SOURCES</b>                         |                     |               |               |              |              |
| <b>Revenue Contributions</b>                         |                     |               |               |              |              |
| Neighbourhood Fund                                   | 61                  | 0             | 0             | 0            | 0            |
| Directorate  | 60                  | 0             | 0             | 0            | 0            |
| <b>Reserves</b>                                      |                     |               |               |              |              |
| Strategic Investment Reserve                         | 97                  | 0             | 0             | 0            | 0            |
| S106 Reserves  | 892                 | 137           | 0             | 0            | 0            |
| Capital Priorities Reserve                           | 2,500               | 0             | 0             | 0            | 0            |
| HCA Riverside Reserve                                | 385                 | 0             | 0             | 0            | 0            |
| Other Capital Reserves                               | 614                 | 0             | 0             | 0            | 0            |
| <b>Capital Receipts</b>                              |                     |               |               |              |              |
| Capital Receipts                                     | 862                 | 0             | 0             | 0            | 0            |
| <b>Total Internal Sources</b>                        | <b>5,471</b>        | <b>137</b>    | <b>0</b>      | <b>0</b>     | <b>0</b>     |
| <b>TOTAL FINANCING</b>                               | <b>28,423</b>       | <b>68,138</b> | <b>43,135</b> | <b>9,464</b> | <b>7,530</b> |

**CABINET SECRETARY  
CAPITAL PROGRAMME**

| Project Ref. No.                                | Project   | Project Description  | Project Sponsor | Gross Cost<br>£'000 | Expend to<br>31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|---|---|--|-----------------|---------------------|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Continuing Projects</b>                      |   |  |                 |                     |                               |                  |                  |                  |                  |                  |
| <b>Management of Council Land and Buildings</b> |   |  |                 |                     |                               |                  |                  |                  |                  |                  |
| CP0314  | Solar PV Battery Storage  | Installation of solar PV and battery storage at Council buildings. This is expected to reduce electricity costs and carbon emissions and to access capacity auctions in conjunction with the National Grid. The buildings that would benefit by this investment include Jack Crawford, Evolve, Software Centre, Washington Business Centre and the Port's transit shed 7 which also feeds Capstan House. | P Davies        | 3,166               | 2,372                         | 794              | 0                | 0                | 0                | 0                |
| CP0415  | Hendon Health Centre  | Provision for the demolition or refurbishment of Hendon Health Centre  | P Davies        | 125                 | 0                             | 0                | 125              | 0                | 0                | 0                |
| CP0417  | City Hall - Furniture and Equipment                               | Furniture and equipment provision for City Hall.   | A Crabb         | 4,370               | 4,303                         | 67               | 0                | 0                | 0                | 0                |
| CP0418  | Planned Property Capital Maintenance                              | Various construction, mechanical and electrical services-based projects / works required to maintain and improve the Council's property portfolio.   | P Davies        | 18,034              | 7,899                         | 2,635            | 2,500            | 2,500            | 2,500            | 0                |
| CP0470  | Security Control Room   | The provision of a new CCTV and Security Control Room.   | M Dixon         | 400                 | 366                           | 34               | 0                | 0                | 0                | 0                |
| CP0502  | Jacky Whites Market Improvements                                  | Refurbishment works to improve the physical fabric and viability of the market and provide an enhanced provision for traders and visitors.   | P Davies        | 400                 | 0                             | 15               | 385              | 0                | 0                | 0                |
| CP0582  | Bishopwearmouth Cemetery - South Chapel Repair/Conservation Works | Planned repair and conservation works to the South Chapel building at Bishopwearmouth Cemetery to prevent further decay and preserve the building.   | P Davies        | 600                 | 0                             | 45               | 555              | 0                | 0                | 0                |

**CABINET SECRETARY  
CAPITAL PROGRAMME**

| Project Ref. No. | Project  | Project Description   | Project Sponsor | Gross Cost<br>£'000 | Expend to 31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|------------------|--|---|-----------------|---------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|
|                  | <b>Depots</b>  |   |                 |                     |                            |                  |                  |                  |                  |                  |
| CP0355           | Redevelopment of Parsons Depot including Electrical Vehicle Infrastructure | Redevelopment of the operational depot at Parsons, Washington, which became operation Autumn 2022, but with further external works to enhance the operational environment. The works also include electric vehicle infrastructure to future proof Parsons depot as well as Jack Crawford House by ensuring that site energy can be provided from renewable sources including solar, wind and through the use of electric vehicle battery charging. This investment will support the operation and maintenance of the Council's future ultra low carbon (electric) fleet through the provision of a range of standard and high speed vehicle charging points and battery charging and storage facilities which work with the local electricity supply network and renewable energy generated on sites. | M Morley        | 11,493              | 11,079                     | 414              | 0                | 0                | 0                | 0                |
| CP0584           | Replacement Coalfields Depot and Provision of a Salt Barn                  | A comprehensive redevelopment / replacement of the Houghton Depot so that services and employees can operate within a modern, fit for purpose facility. This will include the provision of an improved service depot and facilities for Refuse, Local Services and Winter Maintenance teams and their equipment and vehicles, as well as a new salt storage barn.   | M Morley        | 6,503               | 11                         | 150              | 611              | 5,731            | 0                | 0                |
|                  | <b>Digital and Customer Services</b>                                       |   |                 |                     |                            |                  |                  |                  |                  |                  |
| CP0286           | Refresh of Essential Core ICT Infrastructure                               | A programme of activities aligned to a full review and rationalisation of the ICT estate to refresh end of life equipment and begin to transition to new on demand offerings.   | L St Louis      | 4,323               | 4,176                      | 147              | 0                | 0                | 0                | 0                |

**CABINET SECRETARY  
CAPITAL PROGRAMME**

| Project Ref. No. | Project  | Project Description   | Project Sponsor | Gross Cost<br>£'000 | Expend to 31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|------------------|--|---|-----------------|---------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|
| CP0419           | ICT Infrastructure   | Five strands of investment into ICT services to provide efficiencies to support the Medium Term Financial Plan:<br>o Replacement of End User Devices.<br>o Replacement of Storage & Server Infrastructure.<br>o Upgrade or Replacement of Virtualised Desktop Infrastructure.<br>o Disaster Recovery / Secondary Data Centre Replacement.<br>o Civica Revenues & Benefits System. | L St Louis      | 2,530               | 2,012                      | 258              | 260              | 0                | 0                | 0                |
| CP0464           | Fibre Upgrade  | Extension of the Council's fibre optic network to the Port's Capstan House and the Port Control building to mitigate current networking issues.   | L St Louis      | 115                 | 73                         | 42               | 0                | 0                | 0                | 0                |
| CP0500           | Replacement of End User ICT Devices  | Provision to continue the replacement programme of physical end user devices (laptops, base units and mobile telephones) across the Council as they reach the end of their effective lifecycle.   | L St Louis      | 3,102               | 0                          | 1,433            | 970              | 424              | 275              | 0                |
| CP0525           | Internet Filtering, Firewall and Monitoring Solution and Upgrade to Gigabit Capable Fibre Connectivity | Provision for the replacement of the Council's internet filtering, firewall and monitoring solution and upgrade to gigabit capable fibre connectivity to support the continued effective running of Council services.   | L St Louis      | 1,000               | 361                        | 639              | 0                | 0                | 0                | 0                |
| CP0568           | Smart Cities - Network Monitoring  | Provision of network equipment for the City Hall. This will provide Digital Network Architecture (DNA) appliance and advantage licencing for ongoing monitoring purposes and enable uninterrupted network access for all ICT users.   | L St Louis      | 158                 | 0                          | 158              | 0                | 0                | 0                | 0                |
| CP0569           | Smart Cities - Back-up Solution and Data Storage   | Extension of the licencing software and support and maintenance alongside the replacement of the aging and soon to be unsupported corporate data storage system to ensure the continuation of robust and resilient ICT Services with the ability to protect the integrity of customers data.  | L St Louis      | 100                 | 48                         | 52               | 0                | 0                | 0                | 0                |

**CABINET SECRETARY  
CAPITAL PROGRAMME**

| Project Ref. No.    | Project                                       | Project Description   | Project Sponsor | Gross Cost<br>£'000 | Expend to<br>31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|---------------------|---|---|-----------------|---------------------|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| CP0570              | Smart Cities - Essential Hardware Replacement | Replacement of the aging hardware infrastructure at key Council sites including Uninterruptible Power Supply (UPS), Edge Switches and Connectivity hardware.  | L St Louis      | 135                 | 0                             | 135              | 0                | 0                | 0                | 0                |
| CP0571              | Smart Cities - Remote Connection Solution     | Replacement of the Netscaler solution once it reaches end of life - the Netscaler is the remote connection solution and web content load balancer.  | L St Louis      | 125                 | 0                             | 0                | 125              | 0                | 0                | 0                |
| CP0503              | Assistive Technology General                  | Investment in digitised solutions to support service delivery and staff productivity in frontline services. Plans include digitisation within Housing Allocations, School Admissions, Environmental Services and Cemeteries.  | L St Louis      | 288                 | 122                           | 166              | 0                | 0                | 0                | 0                |
| CP0600              | NetBackup Appliance Refresh                   | The NetBackup Appliances which protect our on-premises server estate become end of life in 2025. To continue to secure the integrity of the server estate and the applications and data held the appliances must be replaced.   | L St Louis      | 460                 | 0                             | 0                | 0                | 460              | 0                | 0                |
| <b>Smart Cities</b> |   |   |                 |                     |                               |                  |                  |                  |                  |                  |
| CP0613              | Community Digital Health Hub Project (UKSPF)  | A Council led project funded by UKSPF grant - the Community Digital Health Hub Project. The project will develop 22 Community Digital Health Hubs. Works include upgrade and expand existing Wi-Fi systems within 22 buildings, and external space if required; the purchase of digital devices and furniture to support the delivery of the digital health hubs; and to establish esports community hubs and a community broadband scheme in Sunderland. | L St Louis      | 582                 | 0                             | 582              | 0                | 0                | 0                | 0                |

**CABINET SECRETARY  
CAPITAL PROGRAMME**

| Project Ref. No.                 | Project                                    | Project Description  | Project Sponsor | Gross Cost<br>£'000 | Expend to 31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|----------------------------------|--|--|-----------------|---------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|
| CP0501                           | Smart Cities Project                       | Sunderland has set its vision that 'By 2035, Sunderland will be a connected, international city with opportunities for all'. The Smart City ambitions feature as a key priority in delivering this vision through the deployment of next generation fibre and mobile infrastructure and a range of use cases to enable transformational change across public service delivery. This project will provide upfront investment to support delivery of the necessary fibre and 5G network infrastructure within the city alongside a range of digital and data solutions and reflects the success of a number of recent external funding grants. | L St Louis      | 20,953              | 7,097                      | 4,812            | 7,035            | 2,009            | 0                | 0                |
| <b>School Meals</b>              |  |  |                 |                     |                            |                  |                  |                  |                  |                  |
| CP0530                           | School Meals Kitchen Equipment Replacement | Replacement of school meals equipment across all schools where the school meals service is provided by the Council's inhouse catering team.  | P Davies        | 150                 | 118                        | 32               | 0                | 0                | 0                | 0                |
| <b>Finance</b>                   |  |  |                 |                     |                            |                  |                  |                  |                  |                  |
| CP0615                           | UKSPF - Unallocated Capital Grant          | The Council is Lead Authority for the management and administration of Sunderland's UK Shared Prosperity Fund (UKSPF) programme, the replacement of European Programmes. This project relates to the UKSPF grants that have yet to be allocated out to either external organisations or for internally led projects.   | C Auld          | 630                 | 0                          | 0                | 630              | 0                | 0                | 0                |
| <b>TOTAL CONTINUING PROJECTS</b> |  |  |                 | <b>79,742</b>       | <b>40,037</b>              | <b>12,610</b>    | <b>13,196</b>    | <b>11,124</b>    | <b>2,775</b>     | <b>0</b>         |

**CABINET SECRETARY  
CAPITAL PROGRAMME**

| Project Ref. No.                                 | Project   | Project Description   | Project Sponsor | Gross Cost<br>£'000 | Expend to 31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|--|---|---|-----------------|---------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>PROJECTS COMMENCING 2024/25</b>               |   |   |                 |                     |                            |                  |                  |                  |                  |                  |
|  | <b>Depots</b>   |   |                 |                     |                            |                  |                  |                  |                  |                  |
| CP0584   | Replacement Coalfields Depot and Provision of a Salt Barn - additional budget | A comprehensive redevelopment / replacement of the Houghton Depot so that services and employees can operate within a modern, fit for purpose facility. This will include the provision of an improved service depot and facilities for Refuse, Local Services and Winter Maintenance teams and their equipment and vehicles, as well as a new salt storage barn. | M Morley        | 6,247               | 0                          | 0                | 0                | 303              | 5,944            | 0                |
| <b>TOTAL PROJECTS COMMENCING 2024/25</b>         |   |   |                 | <b>6,247</b>        | <b>0</b>                   | <b>0</b>         | <b>0</b>         | <b>303</b>       | <b>5,944</b>     | <b>0</b>         |
| <b>TOTAL CABINET SECRETARY CAPITAL PROGRAMME</b> |   |   |                 | <b>85,989</b>       | <b>40,037</b>              | <b>12,610</b>    | <b>13,196</b>    | <b>11,427</b>    | <b>8,719</b>     | <b>0</b>         |



**CABINET SECRETARY  
CAPITAL PROGRAMME**

| Source of Finance                                       | Estimated Resources |               |               |              |          |
|---|---------------------|---------------|---------------|--------------|----------|
|   | 2023/24             | 2024/25       | 2025/26       | 2026/27      | 2027/28  |
|   | £'000               | £'000         | £'000         | £'000        | £'000    |
| <b>FROM EXTERNAL SOURCES</b>                            |                     |               |               |              |          |
| <b>Loans</b>  |                     |               |               |              |          |
| Prudential Borrowing                                    | 6,101               | 7,770         | 11,427        | 8,719        | 0        |
| <b>Government Grants</b>                                |                     |               |               |              |          |
| DLUHC - UK Shared Prosperity Fund (UKSPF)               | 582                 | 630           | 0             | 0            | 0        |
| DLUHC - Changing Places Fund                            | 250                 | 0             | 0             | 0            | 0        |
| DSIT (Dept for Science, Innovation & Technology) grants | 3,251               | 3,911         | 0             | 0            | 0        |
| <b>Grants from Other Public Bodies</b>                  |                     |               |               |              |          |
| European Regional Development Fund (ERDF)               | 148                 | 0             | 0             | 0            | 0        |
| <b>Other External Funding</b>                           |                     |               |               |              |          |
| Innovate UK   | 211                 | 365           | 0             | 0            | 0        |
| <b>Total External Sources</b>                           | <b>10,543</b>       | <b>12,676</b> | <b>11,427</b> | <b>8,719</b> | <b>0</b> |
| <b>FROM INTERNAL SOURCES</b>                            |                     |               |               |              |          |
| <b>Revenue Contributions</b>                            |                     |               |               |              |          |
| Directorate   | 28                  | 0             | 0             | 0            | 0        |
| <b>Reserves</b>   |                     |               |               |              |          |
| Strategic Investment Reserve                            | 254                 | 0             | 0             | 0            | 0        |
| Other Capital Reserves                                  | 520                 | 260           | 0             | 0            | 0        |
| <b>Capital Receipts</b>                                 |                     |               |               |              |          |
| Capital Receipts  | 1,265               | 260           | 0             | 0            | 0        |
| <b>Total Internal Sources</b>                           | <b>2,067</b>        | <b>520</b>    | <b>0</b>      | <b>0</b>     | <b>0</b> |
| <b>TOTAL FINANCING</b>                                  | <b>12,610</b>       | <b>13,196</b> | <b>11,427</b> | <b>8,719</b> | <b>0</b> |

**CHILDREN'S LEARNING & SKILLS  
CAPITAL PROGRAMME**

| Project Ref. No.                       | Project                                  | Project Description   | Project Sponsor | Gross Cost<br>£'000 | Expend to 31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|--|--|---|-----------------|---------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Continuing Projects</b>             |  |   |                 |                     |                            |                  |                  |                  |                  |                  |
|  | <b>DFC</b>                               |   |                 |                     |                            |                  |                  |                  |                  |                  |
| CP0085                                 | Schools' Devolved Capital                | Schools' devolved formula capital allocations to address the priorities identified by schools in their own asset management plans.  | J Colbert       | 2,332               | 913                        | 882              | 537              | 0                | 0                | 0                |
| <b>Major School's Asset Management</b> |  |   |                 |                     |                            |                  |                  |                  |                  |                  |
| CP0260                                 | School's Asset Management Unallocated    | School capital grants provision to continue to provide window replacements, heating improvements, roofing works, electrical and technical and urgent health and safety works.   | J Colbert       | 586                 | 0                          | 586              | 0                | 0                | 0                | 0                |
| CP0386                                 | Schools Capital Maintenance Works        | Capital maintenance works to schools including roof repairs / replacement and structural repairs.   | J Colbert       | 1,503               | 92                         | 1,411            | 0                | 0                | 0                | 0                |
| CP0528                                 | Barnes Junior School Refurbishment       | Structural repair, electrical and mechanical works at Barnes Junior School. Planned works to include upgrades / replacement of windows, doors, heat sources, internal alterations and refurbishments. as well as replacement of the current kitchen and dining facilities with a new kitchen and dining block. Additional studio space will be incorporated into the building to facilitate increased delivery of dance, drama and performing art provision at the school. It is anticipated that the footprint of the block can be reduced, increasing the proportion of available outdoor play space at the school. | J Colbert       | 5,655               | 5,063                      | 592              | 0                | 0                | 0                | 0                |
| CP0529                                 | Fulwell Junior School Refurbishment      | Structural repair, electrical and mechanical works at Fulwell Junior School. Planned works to include upgrades / replacement of; windows, doors, heat sources as well as internal alterations and refurbishments.   | J Colbert       | 2,754               | 54                         | 2,200            | 500              | 0                | 0                | 0                |
| CP0486                                 | Thorney Close Primary School - new build | Relocation of the Thorney Close Primary School and provision of a new build on the existing Sunningdale Primary School site   | J Colbert       | 9,782               | 65                         | 610              | 3,187            | 5,920            | 0                | 0                |

**CHILDREN'S LEARNING & SKILLS  
CAPITAL PROGRAMME**

| Project Ref. No.                               | Project                                    | Project Description   | Project Sponsor | Gross Cost<br>£'000 | Expend to 31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|--|--|---|-----------------|---------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|
| CP0487   | Hetton Primary School - new build          | Replacement of the current CLASP Hetton Primary School buildings with a new expanded building. It will provide 70 additional school places and add a nursery provision to the existing school offer. The new school will be delivered on the current Hetton Primary School site with the current buildings remaining operational during the build period. | J Colbert       | 8,484               | 8,304                      | 180              | 0                | 0                | 0                | 0                |
| CP0515   | Farringdon Academy                         | Contribution to DfE for their replacement of Farringdon Academy. Contribution relates to increase of secondary pupil place capacity to support the delivery of the South Sunderland Growth Area.  | J Colbert       | 4,114               | 0                          | 4,114            | 0                | 0                | 0                | 0                |
| CP0516   | SEN (Special Educational Needs) Provision  | Provision to support additional SEN school places in the city.  | J Colbert       | 1,224               | 11                         | 1,213            | 0                | 0                | 0                | 0                |
| CP0594   | Sunderland's Pupil Referral Unit (PRU);    | The project will deliver an alternative provision site for primary age children in the coalfields area of Sunderland.   | J Colbert       | 881                 | 33                         | 848              | 0                | 0                | 0                | 0                |
| <b>Other Schools Asset Management Projects</b> |  |   |                 |                     |                            |                  |                  |                  |                  |                  |
| CP0088   | Other Site Misc.                           | Management and grounds maintenance of vacant school sites.  | J Colbert       | 48                  | 38                         | 10               | 0                | 0                | 0                | 0                |
| CP0327   | New Condition Works / EAW                  | Delivery of electricity at work (EAW) and schools condition surveys.  | J Colbert       | 126                 | 116                        | 10               | 0                | 0                | 0                | 0                |
| CP0205   | Access Equipment                           | Purchase of equipment to assist children with disabilities to access school places.   | J Colbert       | 88                  | 63                         | 25               | 0                | 0                | 0                | 0                |
| CP0204   | Schools Asbestos & Legionella Management   | Asbestos and legionella management for schools.   | J Colbert       | 160                 | 110                        | 50               | 0                | 0                | 0                | 0                |
| CP0387   | Schools Mechanical Works                   | Heating replacement at Dame Dorothy and Broadway Juniors Primary Schools.   | J Colbert       | 680                 | 310                        | 370              | 0                | 0                | 0                | 0                |
| CP0603   | Kepier Academy Temporary Capacity Increase | Provision of a short-term solution to the deficit in school places with proposals for a long term, permanent solution to be brought back to Cabinet at a future date.   | J Colbert       | 323                 | 0                          | 323              | 0                | 0                | 0                | 0                |

**CHILDREN'S LEARNING & SKILLS  
CAPITAL PROGRAMME**

| Project Ref. No.                 | Project                                      | Project Description   | Project Sponsor | Gross Cost<br>£'000 | Expend to 31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|----------------------------------|--|---|-----------------|---------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Early Years</b>               |  |   |                 |                     |                            |                  |                  |                  |                  |                  |
| CP0628                           | Early Years - Wraparound Childcare Programme | The Department for Education (DfE) announced on 30th November 2023 a capital grant for childcare expansion. This will support local authorities in delivering the expansion of the 30-hours early years entitlement for working families and of wraparound provision in primary schools.  | J Colbert       | 457                 | 0                          | 0                | 457              | 0                | 0                | 0                |
| <b>Social Care</b>               |  |   |                 |                     |                            |                  |                  |                  |                  |                  |
| CP0490                           | Children's Residential Homes                 | A design and build / refurbish project for the creation of new children's residential facilities, including creation of local provision for future placement decisions and/or the repatriation of children from external settings both of which should yield better outcomes for children. A revenue saving is anticipated from the reduced use of more costly external placements and the associated staff costs in supporting the children in those placements. | J Colbert       | 1,388               | 891                        | 497              | 0                | 0                | 0                | 0                |
| CP0610                           | Lombard Street - Family Hubs                 | The Council is one of 75 authorities participating in the high-profile Family Hubs initiative sponsored by the Government. Of the five Family Hubs, which are geographically spread across the city, one will be provided in Lombard Street, Sunderland. This property was identified early in the Family Hubs initiative and requires capital works to make it fit for purpose.  | J Colbert       | 348                 | 0                          | 348              | 0                | 0                | 0                | 0                |
| CP0614                           | Children's Residential Short Breaks Property | The purchase of a property in the East Rainton area and subsequent refurbishment to provide a residential property to enable short breaks for disabled children.  | J Colbert       | 1,708               | 0                          | 850              | 858              | 0                | 0                | 0                |
| <b>TOTAL CONTINUING PROJECTS</b> |  |   |                 | <b>42,641</b>       | <b>16,063</b>              | <b>15,119</b>    | <b>5,539</b>     | <b>5,920</b>     | <b>0</b>         | <b>0</b>         |

**CHILDREN'S LEARNING & SKILLS  
CAPITAL PROGRAMME**

| Project Ref. No.                       | Project                                 | Project Description  | Project Sponsor | Gross Cost<br>£'000 | Expend to 31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|--|---|--|-----------------|---------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>PROJECTS COMMENCING 2024/25</b>     |   |  |                 |                     |                            |                  |                  |                  |                  |                  |
| <b>Major School's Asset Management</b> |   |  |                 |                     |                            |                  |                  |                  |                  |                  |
| CP0260                                 | School's Asset Management Unallocated   | School capital grants provision to continue to provide window replacements, heating improvements, roofing works, electrical and technical and urgent health and safety works.  | J Colbert       | 1,500               | 0                          | 0                | 1,500            | 0                | 0                | 0                |
| CP0619                                 | Relocation of Barbara Priestman Academy | The relocation of Barbara Priestman Academy from its current site at Ashbrooke and the buildings currently occupied on a short-term lease at Thornhill Academy to the site that will be vacated by Thorney Close Primary School in 2026. Barbara Priestman currently provides 180 of the city's special school places for pupils with Autism. Works include a full refurbishment of the school buildings at the current Thorney Close Primary School, adaptations to ensure children with learning difficulties and disabilities are suitably catered for and extension of the current buildings to provide additional ASD (autism spectrum disorder) places for the city. It will provide for both the city's 11-16 cohort and the 16 –25-year-old 6th form population (currently accommodated in temporary leased facilities at another local secondary setting). Barbara Priestman would vacate its main teaching block buildings at Meadowside, Ashbrooke. The specialist teaching block at the site, constructed in 2014, would be retained as a SEN facility with associated outdoor space. This would enable the city to accommodate an additional 24 pupils with SEN. The remainder of the site would be declared surplus and made available for alternative, non-educational use, or development. | J Colbert       | 8,000               | 0                          | 0                | 0                | 750              | 7,250            | 0                |

**CHILDREN'S LEARNING & SKILLS  
CAPITAL PROGRAMME**

| Project Ref. No.   | Project                                   | Project Description   | Project Sponsor | Gross Cost<br>£'000 | Expend to 31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|--|---|---|-----------------|---------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|
|  | <b>Social Care</b>                        |   |                 |                     |                            |                  |                  |                  |                  |                  |
| CP0620   | SEND Transport – Electric Vehicle Minibus | Provision of two electric, wheelchair accessible, minibuses and suitable electric vehicle charging points. The buses will be leased, following a tender exercise, to a local Community Transport (CT) organisation for a nominal sum. The CT will then deliver agreed Home to School Transport routes whilst being able to utilise the vehicles to support other community uses. The project will assist with reducing the costs of the current HTST service and also support the wider Sunderland ambition in its Net Zero target by 2030. | J Colbert       | 200                 | 0                          | 0                | 200              | 0                | 0                | 0                |
| <b>TOTAL PROJECTS COMMENCING 2024/25</b>                       |   |   |                 | <b>9,700</b>        | <b>0</b>                   | <b>0</b>         | <b>1,700</b>     | <b>750</b>       | <b>7,250</b>     | <b>0</b>         |
| <b>TOTAL CHILDREN, LEARNING &amp; SKILLS CAPITAL PROGRAMME</b> |   |   |                 | <b>52,341</b>       | <b>16,063</b>              | <b>15,119</b>    | <b>7,239</b>     | <b>6,670</b>     | <b>7,250</b>     | <b>0</b>         |

| Source of Finance                                 | Estimated Resources |                  |                  |                  |                  |
|---|---------------------|------------------|------------------|------------------|------------------|
|   | 2023/24<br>£'000    | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
| <b>FROM EXTERNAL SOURCES</b>                      |                     |                  |                  |                  |                  |
| <b>Loans</b>                                      |                     |                  |                  |                  |                  |
| Prudential Borrowing                              | 6,643               | 3,745            | 5,920            | 6,002            | 0                |
| <b>Government Grants</b>                          |                     |                  |                  |                  |                  |
| DfE - School's Condition Allocation Grant         | 3,275               | 1,800            | 0                | 0                | 0                |
| DfE - Basic Need Grant                            | 810                 | 0                | 0                | 0                | 0                |
| DfE - Schools DFC Grant                           | 875                 | 537              | 0                | 0                | 0                |
| DfE - High Needs Capital                          | 1,087               | 700              | 750              | 1,248            | 0                |
| DfE - Early Years grants                          | 0                   | 457              | 0                | 0                | 0                |
| DfE - Other Grants                                | 152                 | 0                | 0                | 0                | 0                |
| <b>Grants from Other Public Bodies</b>            |                     |                  |                  |                  |                  |
| Homes England - Housing Infrastructure Fund (HIF) | 1,298               | 0                | 0                | 0                | 0                |
| <b>Total External Sources</b>                     | <b>14,140</b>       | <b>7,239</b>     | <b>6,670</b>     | <b>7,250</b>     | <b>0</b>         |
| <b>FROM INTERNAL SOURCES</b>                      |                     |                  |                  |                  |                  |
| <b>Reserves</b>                                   |                     |                  |                  |                  |                  |
| S106 Reserves                                     | 836                 | 0                | 0                | 0                | 0                |
| <b>Capital Receipts</b>                           | 143                 | 0                | 0                | 0                | 0                |
| <b>Total Internal Sources</b>                     | <b>979</b>          | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>0</b>         |
| <b>TOTAL FINANCING</b>                            | <b>15,119</b>       | <b>7,239</b>     | <b>6,670</b>     | <b>7,250</b>     | <b>0</b>         |

**DYNAMIC CITY  
CAPITAL PROGRAMME**

| Project Ref. No.                    | Project   | Project Description  | Project Sponsor | Gross Cost<br>£'000 | Expend to<br>31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|-------------------------------------|---|--|-----------------|---------------------|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Continuing Projects</b>          |   |  |                 |                     |                               |                  |                  |                  |                  |                  |
| <b>Asset and Network Management</b> |   |  |                 |                     |                               |                  |                  |                  |                  |                  |
| CP0024                              | Highways Maintenance                              | Implement the Highway Maintenance Programme of road resurfacing and footway reconstruction schemes.  | C Mordue        | 17,913              | 13,084                        | 4,829            | 0                | 0                | 0                | 0                |
| CP0421                              | Highways Maintenance - Asset Investment Programme | Improvements to the condition of the Council's highway assets, including roads, footways and traffic signals and reduce the significant maintenance backlog. | C Mordue        | 19,000              | 10,668                        | 1,332            | 1,000            | 3,000            | 3,000            | 0                |
| <b>Bridges and New Structures</b>   |   |  |                 |                     |                               |                  |                  |                  |                  |                  |
| CP0025                              | Bridge Maintenance                                | Annual programme of Structural Bridge maintenance.   | C Mordue        | 1,780               | 1,214                         | 566              | 0                | 0                | 0                | 0                |
| CP0422                              | Bridge Maintenance Investment Programme           | To improve the condition of the council's stock of bridges and highway structures and to address and reduce the maintenance backlog.                         | C Mordue        | 5,508               | 1,996                         | 0                | 512              | 1,500            | 1,500            | 0                |
| CP0505                              | A182 Bridge Maintenance Phase 2                   | Phase 2 of maintenance works to bridges on A182  | C Mordue        | 1,397               | 167                           | 1,230            | 0                | 0                | 0                | 0                |
| CP0608                              | A182 Bridge Maintenance Phase 3                   | Phase 3 of maintenance works to bridges on A182. Phase 3 works will incorporate Bonemill Lane Interchange Bridge and Chartershaugh Bridge.                   | C Mordue        | 1,383               | 0                             | 60               | 1,323            | 0                | 0                | 0                |
| <b>Transportation Development</b>   |   |  |                 |                     |                               |                  |                  |                  |                  |                  |
| CP0009                              | Private Streetworks                               | Council contribution to the upgrade of private streets.  | C Mordue        | 50                  | 0                             | 0                | 0                | 50               | 0                | 0                |
| CP0026                              | Integrated Transport                              | Annual programme for the implementation of Road Safety and Traffic Congestion improvement schemes.   | C Mordue        | 5,638               | 3,377                         | 2,261            | 0                | 0                | 0                | 0                |
| CP0194                              | Cowies Way (SSTC Phase 3)                         | Construction of a new road linking the Northern Spire new wear crossing and the city centre. The road opened to traffic November 2021.                       | C Mordue        | 70,800              | 69,385                        | 1,415            | 0                | 0                | 0                | 0                |

**DYNAMIC CITY  
CAPITAL PROGRAMME**

| Project Ref. No. | Project   | Project Description   | Project Sponsor | Gross Cost | Expend to 31.3.23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|------------------|---|---|-----------------|------------|-------------------|---------|---------|---------|---------|---------|
|                  |   |   |                 | £'000      | £'000             | £'000   | £'000   | £'000   | £'000   | £'000   |
| CP0361           | SSGA - Rotary Road (Ryhope Doxford Link Road)       | New road infrastructure which will support new homes in the South Sunderland Growth Area (SSGA) in advance of S106 funding. SSGA is to provide; 4,000 family and executive homes, 300 affordable homes and significant construction job creation/safeguards.  | C Mordue        | 9,084      | 8,677             | 407     | 0       | 0       | 0       | 0       |
| CP0398           | New City Boundary Signs                             | Provision of new city boundary signs.   | C Mordue        | 150        | 54                | 0       | 96      | 0       | 0       | 0       |
| CP0426           | Replacement of Road Safety Vehicle                  | Replace the existing road safety vehicle, used to carry out enforcement of bus stops and school keep clears.  | C Mordue        | 66         | 0                 | 66      | 0       | 0       | 0       | 0       |
| CP0478           | Sustainability Mobility Hub                         | To implement a staff pool car scheme and one - stop self-sufficient business travel hub for local travel to reduce grey fleet journeys, vehicle emissions across the city, costs of business travel and administration. This will increase sustainable business travel and contribute to the City Plan's objective to be carbon zero by 2030, and to be supported by new technology software to manage staff travel, fleet, bookings, administration, legislative requirements and data capture within one business unit. | C Mordue        | 750        | 359               | 100     | 291     | 0       | 0       | 0       |
| CP0519           | Holmeside Bus Rationalisation and Priority Measures | The rationalisation of traffic movements to and through Holmeside, thereby permanently improving pedestrian and cycle facilities and changes to the Public Transport network and movements around the City Centre. Project scope also includes budget for public realm works around Sunderland train station to follow on from completion of those works.   | C Mordue        | 4,685      | 1,585             | 3,100   | 0       | 0       | 0       | 0       |
| CP0520           | Strategic Cycle Network                             | Improved cycling route provision towards, and around, the City Centre with associated changes to the inner ring road to facilitate safe movement of cyclists to promote active travel and healthier lifestyles.   | C Mordue        | 3,747      | 2,317             | 1,430   | 0       | 0       | 0       | 0       |
| CP0523           | Vehicle Actuated Signs (VAS) Programme              | Purchase of new and replacement Vehicle Actuated Signs (VAS) as part of the citywide VAS programme  | C Mordue        | 200        | 37                | 113     | 50      | 0       | 0       | 0       |



**DYNAMIC CITY  
CAPITAL PROGRAMME**

| Project Ref. No.                            | Project                                  | Project Description   | Project Sponsor | Gross Cost | Expend to 31.3.23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|---|--|---|-----------------|------------|-------------------|---------|---------|---------|---------|---------|
|   |  |   |                 | £'000      | £'000             | £'000   | £'000   | £'000   | £'000   | £'000   |
| CP0546                                      | Seaton Lane Junction Imps– Durham CC     | Seaton Lane Junction Improvements, works to be delivered by Durham County Council, fully funded by Housing Infrastructure Fund provided to the Council as lead authority to provide infrastructure to support the delivery of the SSGA. | C Mordue        | 5,571      | 368               | 5,203   | 0       | 0       | 0       | 0       |
| CP0553                                      | A183 Whitburn Road Two-Way Cycle Lane    | 2-way segregated on-road cycle lane on A183 Whitburn Rd (Tram Shelter, Seaburn to Bungalow Café).   | C Mordue        | 2,300      | 642               | 1,658   | 0       | 0       | 0       | 0       |
| CP0598                                      | A183 Dame Dorothy St. Two-Way Cycle Lane | 2-way segregated on-road cycle lane on A183 Dame Dorothy St. (including improvements to junction at Bungalow Cafe to join with Whitburn Rd cycle scheme).   | C Mordue        | 2,710      | 159               | 1,000   | 1,551   | 0       | 0       | 0       |
| CP0605                                      | Pallion New Rd/European Way-Cycle Lane   | 2-way segregated on-road cycle lane on Pallion New Road & European Way  | C Mordue        | 3,700      | 222               | 700     | 2,778   | 0       | 0       | 0       |
| <b>Infrastructure and Commercial Design</b> |  |   |                 |            |                   |         |         |         |         |         |
| CP0428                                      | Lorry Parking Facility                   | Infrastructure works to clear a vacant plot and to provide a hard -stand to be used as a lorry parking / lay -up area (including facilities) to accommodate 48 – 54 articulated HGVs).  | C Mordue        | 750        | 0                 | 0       | 0       | 750     | 0       | 0       |
| CP0477                                      | City Gateways Large Screen Advertising   | To install large advertising screens at key gateways into the city, providing an additional revenue income stream for the Council.  | S Savage        | 800        | 624               | 176     | 0       | 0       | 0       | 0       |
| CP0557                                      | Onstreet Residential Chargepoint Scheme  | Provision of chargepoints in residential areas which have no off-street parking.  | C Mordue        | 390        | 75                | 165     | 150     | 0       | 0       | 0       |
| <b>Parking Services</b>                     |  |   |                 |            |                   |         |         |         |         |         |
| CP0232                                      | Parking Meters                           | The replacement and provision of parking meters for new locations in the City and an ongoing programme of reviewing provision and introducing new locations for pay and display.  | C Mordue        | 125        | 100               | 0       | 25      | 0       | 0       | 0       |

**DYNAMIC CITY  
CAPITAL PROGRAMME**

| Project Ref. No.                      | Project   | Project Description   | Project Sponsor | Gross Cost | Expend to 31.3.23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|---------------------------------------|---|---|-----------------|------------|-------------------|---------|---------|---------|---------|---------|
|                                       |   |   |                 | £'000      | £'000             | £'000   | £'000   | £'000   | £'000   | £'000   |
| CP0479                                | Riverside Sunderland Multi-Storey Car Park        | The creation of a 657 space car park on the Riverside Sunderland site to service the occupants and visitors to the development and the City Centre. The car park includes EV charging facilities and both pre-paid permits and pay & display parking which will provide the Council with a revenue stream.  | A Crabb         | 14,400     | 13,422            | 978     | 0       | 0       | 0       | 0       |
| CP0480                                | New Dykelands Road Car Park                       | Acquisition of a 93 space car park to service the seafront area to replace in part the Ocean Park car park that was removed as part of the sea front redevelopment project.   | C Mordue        | 513        | 511               | 2       | 0       | 0       | 0       | 0       |
| CP0595                                | Sheepfolds Car Park                               | Tarmacking and bay marking of derelict site already used for off-street parking. This long-term empty parcel of land in the Sheepfolds Area sits amongst streets where pay & display fees apply. The creation of this 50 space car park will 'level out' the parking fees in the area and assist with match parking.  | C Mordue        | 87         | 70                | 17      | 0       | 0       | 0       | 0       |
| <b>Strategic Economic Development</b> |   |   |                 |            |                   |         |         |         |         |         |
| CP0495                                | Strategic Acquisitions and Developments           | Provision for real estate assets to support strategic economic regeneration and the City Plan. Proposals will be brought forward in accordance with the Council's policy for the acquisition of land and buildings.   | N Guthrie       | 74,536     | 56,049            | 15,503  | 2,984   | 0       | 0       | 0       |
| CP0518                                | Sunderland Central Station Development & Car Park | Redevelopment of the Sunderland Central Station southern concourse, a circa 201-space car park on the nearby Holmeside site as well as demolition and clearance of the old civic centre site. The station concourse opened on 8th December 2023 and provides a new modern facility to act as an improved arrival experience for people arriving into the city by rail and also the associated parking facilities to serve the station and the City. | A Crabb         | 32,081     | 16,040            | 13,041  | 3,000   | 0       | 0       | 0       |
| CP0588                                | Crowtree Development                              | The project aims to redevelop the former Crowtree Leisure Centre site.  | A Crabb         | 76,015     | 383               | 500     | 3,000   | 2,000   | 40,000  | 30,132  |
| <b>Housing Services</b>               |   |   |                 |            |                   |         |         |         |         |         |
| CP0072                                | Hetton Downs Regeneration                         | Acquisition and demolition of properties for housing renewal in the Hetton Downs area.  | G Scanlon       | 9,111      | 8,967             | 144     | 0       | 0       | 0       | 0       |

**DYNAMIC CITY  
CAPITAL PROGRAMME**

| Project Ref. No. | Project  | Project Description   | Project Sponsor | Gross Cost | Expend to 31.3.23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|------------------|--|---|-----------------|------------|-------------------|---------|---------|---------|---------|---------|
|                  |  |   |                 | £'000      | £'000             | £'000   | £'000   | £'000   | £'000   | £'000   |
| CP0302           | Hetton Downs Development Phase 2   | To support housing and community regeneration in Edward & Fairy Street.   | G Scanlon       | 1,881      | 133               | 100     | 1,648   | 0       | 0       | 0       |
| CP0392           | Affordable Housing Provision   | Use of S106 affordable housing contributions for the provision and promotion of affordable housing across the City, including through returning empty properties back to use.   | G Scanlon       | 710        | 542               | 168     | 0       | 0       | 0       | 0       |
| CP0499           | Housing Delivery Investment Plan   | Delivery of the Housing Delivery and Investment Plan. Cabinet approved on 19 November 2019 for the Council to become involved in the direct provision of new Social Housing with Investor Partner status. The Plan will bring empty homes back into use via purchase and improvement of empty homes and will provide new affordable bungalows and further supported accommodation units. The Plan will be supported by external funding from Homes England, and the rental income streams arising from this investment will fund the initial borrowing costs as well as ongoing maintenance and management. | G Scanlon       | 59,000     | 18,458            | 3,588   | 4,466   | 16,244  | 16,244  | 0       |
| CP0535           | Inspiring Futures Programme - Delivering a new approach to Homelessness Services and Accommodation | Provision of accommodation and support for those who are homeless, have complex needs and require support to move forward with their lives towards independent living. The project is expected to be supported by grants from Homes England and Department for Levelling Up, Housing and Communities, and the net investment is expected to be recouped by rental income.   | G Scanlon       | 7,229      | 647               | 570     | 1,156   | 4,856   | 0       | 0       |
|                  | <b>Commercial Housing</b>  |   |                 |            |                   |         |         |         |         |         |
| CP0366           | Former Usworth Comprehensive School Site Enabling Works  | Enabling works on the former Usworth school site in advance of development of the site.   | N Guthrie       | 510        | 405               | 105     | 0       | 0       | 0       | 0       |

**DYNAMIC CITY  
CAPITAL PROGRAMME**

| Project Ref. No.             | Project                                  | Project Description  | Project Sponsor | Gross Cost | Expend to 31.3.23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|------------------------------|--|--|-----------------|------------|-------------------|---------|---------|---------|---------|---------|
|                              |  |  |                 | £'000      | £'000             | £'000   | £'000   | £'000   | £'000   | £'000   |
| CP0531                       | Vaux Housing                             | The design and development of a new residential scheme on the former Vaux site consisting of carbon neutral dwellings for rent and sale. It will provide a new high-quality housing offer in a vibrant well-connected community, creating a place where people want to live, and also complement the wider masterplan for Riverside Sunderland including the Beam and the new City Hall. This site will be the home of the Sunderland Future Living Expo, which will showcase regional skills and housing innovation and the Home of 2030. The project is supported by grants from Homes England, DLUHC and ERDF. The commercial business case demonstrates the recovery of the capital investment over a 25-year period from rental income and subsequent asset portfolio sale. | N Guthrie       | 52,767     | 7,766             | 14,084  | 20,672  | 9,698   | 547     | 0       |
| CP0532                       | Northern Spire Park Studio               | The acquisition, preparation, and disposal of development land adjacent to the Northern Spire Bridge (fully funded by a grant from the Department of Levelling Up, Housing and Communities (DLUHC) via the North of Tyne Combined Authority) to support submission of a planning application for a new film studio development.  | N Guthrie       | 5,676      | 2,296             | 3,380   | 0       | 0       | 0       | 0       |
| CP0533                       | Housing Other Sites                      | Provision for planning and infrastructure works to allow the Council to bring forward a number of pipeline development sites to meet the city's strategic housing need and optimise land receipts.   | N Guthrie       | 6,591      | 119               | 954     | 3,957   | 1,561   | 0       | 0       |
| CP0616                       | Farringdon Row and Carley Hill New Homes | The Council entered into a grant funding agreements with Placefirst and Gentoo to fund remediation and enabling works on the Farringdon Row and Carley Hill residential sites. The provision of grant funding will unlock two brownfield sites to support the delivery of 165 new homes for private rent at Farringdon Row and 115 affordable homes on the Carley Hill site.   | N Guthrie       | 3,135      | 0                 | 3,135   | 0       | 0       | 0       | 0       |
| <b>Seafront Regeneration</b> |  |  |                 |            |                   |         |         |         |         |         |
| CP0358                       | Sunderland Seafront Trust - CCF Round 5  | Bring into use vacant assets as commercial premises as part of further development of assets in conjunction with the Seafront Trust, supported by funding from the Coastal Communities Round 5 fund.   | A Crabb         | 1,147      | 790               | 357     | 0       | 0       | 0       | 0       |

**DYNAMIC CITY  
CAPITAL PROGRAMME**

| Project Ref. No.             | Project   | Project Description  | Project Sponsor | Gross Cost | Expend to 31.3.23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|------------------------------|---|--|-----------------|------------|-------------------|---------|---------|---------|---------|---------|
|                              |   |  |                 | £'000      | £'000             | £'000   | £'000   | £'000   | £'000   | £'000   |
| CP0416                       | Roker Promenade and Pier CCTV Infrastructure        | Over recent years the Council, external partners and private sector investment has seen the face of Roker completely change, with well over £5m of infrastructure, commercial developments and tourist attractions delivered. Following the successes of these previous schemes, this project will invest in security infrastructure in the area, protecting those investments made.   | M Dixon         | 55         | 5                 | 50      | 0       | 0       | 0       | 0       |
| CP0498                       | Seaburn Public Realm                                | The Public Realm investment at Ocean Park seeks to complement the previous investment at Seaburn as well as pipeline development projects at the site. The scheme will seek to deliver new equipped play facilities to replace the play area to the north of Cut Throat Dene, upgrade of paving to the west of Whitburn Road (Ocean Park frontage) and the formation of a new east-west pedestrian link and public realm upgrades to Dykelands Road.   | A Crabb         | 2,539      | 1,853             | 686     | 0       | 0       | 0       | 0       |
| <b>Regeneration Projects</b> |   |  |                 |            |                   |         |         |         |         |         |
| CP0397                       | Bishopwearmouth Townscape Initiative Phase 2        | Phase 2 of the Bishopwearmouth Townscape Heritage Initiative commenced late summer 2018 and will run for 5 years providing grants to owners / tenants to repair and restore historic properties and funding an enhancement scheme for Town Park and activities and events.   | C Auld          | 2,269      | 1,742             | 527     | 0       | 0       | 0       | 0       |
| CP0413                       | Heritage Action Zone (HAZ) Partnership Grant Scheme | The Partnership Grant Scheme will deliver key elements of the HAZ Delivery Plan by securing the repair, restoration and enhancement of the key landmark listed buildings in the City: Mackie's Corner and 170-175 High Street West, Elephant Tea Rooms and an a new traditional shop front for 177 High Street West securing wider conservation area enhancement. This scheme is part funded by Historic England, and also supplemented by third party contributions to the grants provided by the Council. The Elephant Tea Rooms project is also part funded through the Future High Street Fund initiative. | C Auld          | 1,624      | 1,016             | 580     | 28      | 0       | 0       | 0       |

**DYNAMIC CITY  
CAPITAL PROGRAMME**

| Project Ref. No. | Project  | Project Description  | Project Sponsor | Gross Cost<br>£'000 | Expend to<br>31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|------------------|--|--|-----------------|---------------------|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| CP0496           | Riverside Sunderland Infrastructure                      | Riverside Sunderland is located to the east of the city, lying north of the City Centre with the River Wear running through it. The area for regeneration includes Sheepfolds and Bonnersfield to the north, Vaux, Farrington Row, Galley's Gill, Riverside Park and High Street West to the south. The Riverside Sunderland Masterplan was launched November 2019. Over a 10-15 year period, it is intended that the Council and partners will create a new urban quarter at the heart of the city, which will provide new homes and quality workspaces and attract new investors, residents, skilled workers, students and visitors. Riverside Sunderland will drive economic growth, set new standards for sustainable development and promote wellbeing and inclusion. In order to support the delivery of the Riverside Sunderland Masterplan to create 1,000 new homes and 1 million sq. foot of commercial development, several integrated infrastructure improvements are progressing and planned. This includes a new high level footbridge connecting Sheepfolds to Vaux, a riverside park to be developed on either side of the River Wear, a reconfiguration of a part of St Mary's Boulevard to better connect the City centre to the Vaux site, improvements to St Mary's car park, provision of a cliff edge footpath and 5G infrastructure, and developments with the Central Business District linking High Street West to St Mary's Boulevard. The works will also seek to activate the area through the construction of infrastructure to support the delivery of events and celebrations within the park and on the river, as well as provide a greater sense of safety to promote use of the space. | N Guthrie       | 66,396              | 8,865                         | 27,018           | 18,691           | 11,822           | 0                | 0                |
| CP0536           | HICSA (Housing Innovation Construction & Skills Academy) | Design and construction of a new Housing Innovation and Construction Skills Academy (HICSA). This will be a shared facility which will be occupied by the Ministry of Building Innovation and Education (MOBIE) and Sunderland College. The HICSA will deliver education and training in traditional construction skills and innovative new methods of constructing homes. The project is supported by Levelling Up Funding.   | N Guthrie       | 18,117              | 251                           | 4,682            | 10,606           | 2,578            | 0                | 0                |

**DYNAMIC CITY  
CAPITAL PROGRAMME**

| Project Ref. No.                    | Project   | Project Description   | Project Sponsor | Gross Cost     | Expend to 31.3.23 | 2023/24        | 2024/25       | 2025/26       | 2026/27       | 2027/28       |
|-------------------------------------|---|---|-----------------|----------------|-------------------|----------------|---------------|---------------|---------------|---------------|
|                                     |   |   |                 | £'000          | £'000             | £'000          | £'000         | £'000         | £'000         | £'000         |
| CP0552                              | Keel Square Hotel                               | Provision to fit out two of the ground floor commercial units in Keel Square Hotel funded by the Future High Streets Fund grant.  | N Guthrie       | 3,210          | 137               | 3,073          | 0             | 0             | 0             | 0             |
| CP0575                              | Sunniside Regeneration (Nile & Villiers Street) | Development of a Living Arts Hub in Nile & Villiers Street which will be an exemplar residential-led mixed-use scheme comprising 87 high quality, sustainable homes and workspaces which will be particularly appealing to Sunderland's vibrant creative community and will kickstart regeneration in Sunniside and Old Sunderland. Delivery of the scheme is dependent on third party funding to cover the full capital cost of the development. | N Guthrie       | 5,228          | 282               | 1,958          | 2,988         | 0             | 0             | 0             |
| <b>Sport</b>                        |   |   |                 |                |                   |                |               |               |               |               |
| CP0573                              | Reinstatement of Bridleway (Downhill)           | Planned improvements to a stretch of the bridle path to the South of the Downhill Football Hub. The widening of an existing path would provide an improved access solution for residents accessing the site and using the public right of way recreationally.   | V French        | 97             | 38                | 59             | 0             | 0             | 0             | 0             |
| <b>Carbon Reduction</b>             |   |   |                 |                |                   |                |               |               |               |               |
| CP0593                              | Warm Homes Fund (WHF) project - Lot 1           | The projects aim was to install 135 air source heat pumps at both privately owned and privately rented properties using funding from Affordable Warmth Solutions.   | C Auld          | 31             | 0                 | 31             | 0             | 0             | 0             | 0             |
| <b>TOTAL CONTINUING PROJECTS</b>    |   |   |                 | <b>603,452</b> | <b>255,897</b>    | <b>121,101</b> | <b>80,972</b> | <b>54,059</b> | <b>61,291</b> | <b>30,132</b> |
| <b>PROJECTS COMMENCING 2024/25</b>  |   |   |                 |                |                   |                |               |               |               |               |
| <b>Asset and Network Management</b> |   |   |                 |                |                   |                |               |               |               |               |
| CP0024                              | Highways Maintenance                            | Implement the Highway Maintenance Programme of road resurfacing and footway reconstruction schemes.   | C Mordue        | 4,272          | 0                 | 0              | 4,272         | 0             | 0             | 0             |
| <b>Bridges and New Structures</b>   |   |   |                 |                |                   |                |               |               |               |               |
| CP0025                              | Bridge Maintenance                              | Annual programme of Structural Bridge maintenance.  | C Mordue        | 382            | 0                 | 0              | 382           | 0             | 0             | 0             |

**DYNAMIC CITY  
CAPITAL PROGRAMME**

| Project Ref. No.                            | Project                           | Project Description  | Project Sponsor | Gross Cost<br>£'000 | Expend to<br>31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|---|-----------------------------------|--|-----------------|---------------------|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Transportation Development</b>           |                                   |  |                 |                     |                               |                  |                  |                  |                  |                  |
| CP0026                                      | Integrated Transport              | Annual programme for the implementation of Road Safety and Traffic Congestion improvement schemes.   | C Mordue        | 1,660               | 0                             | 0                | 1,660            | 0                | 0                | 0                |
| <b>Regeneration Projects</b>                |                                   |  |                 |                     |                               |                  |                  |                  |                  |                  |
| CP0622                                      | Sunniside Leisure                 | Following the acquisition of the Sunniside Leisure property early 2023 and the subsequent administration of Empire Cinemas, there is planned refurbishment and fit-out of the three vacant retail units adjoining the cinema in order to attract new tenants to support the regeneration of the area. In addition, to support these improvements as well as the emerging Sunniside masterplan works will also be undertaken to renovate and refurbish the Sunniside Multi-storey car park to provide a more welcoming arrival point.   | A Crabb         | 2,000               | 0                             | 0                | 2,000            | 0                | 0                | 0                |
| CP0623                                      | Former Joplings Building          | Building works to the former Joplings building required to make improvements to the aesthetic appearance of the building and to support a long-term investment strategy aligned to the regeneration of the city centre.  | A Crabb         | 1,000               | 0                             | 0                | 1,000            | 0                | 0                | 0                |
| <b>Housing Services</b>                     |                                   |  |                 |                     |                               |                  |                  |                  |                  |                  |
| CP0621                                      | Domestic Abuse Safe Accommodation | Provision of a new 'central hub' accommodation solution replacing current refuge facilities and deliver best practice accommodation in the city, with support of estimated £3m funding from Homes England. The aim is to reduce the number of domestic abuse (DA) victims (and their children) unable to access refuge provision as a result of their personal circumstances and/or protected characteristics, to reduce the proportion of repeat DA victims (and their children) requiring refuge provision and to increase the proportion of DA victims (and their children) who report improved health and wellbeing outcomes following a refuge placement. | G Scanlon       | 10,000              | 0                             | 0                | 2,350            | 4,150            | 3,500            | 0                |
| <b>TOTAL PROJECTS COMMENCING 2024/25</b>    |                                   |  |                 | <b>19,314</b>       | <b>0</b>                      | <b>0</b>         | <b>11,664</b>    | <b>4,150</b>     | <b>3,500</b>     | <b>0</b>         |
| <b>TOTAL DYNAMIC CITY CAPITAL PROGRAMME</b> |                                   |  |                 | <b>622,766</b>      | <b>255,897</b>                | <b>121,101</b>   | <b>92,636</b>    | <b>58,209</b>    | <b>64,791</b>    | <b>30,132</b>    |



**DYNAMIC CITY  
CAPITAL PROGRAMME**

| Source of Finance   | Estimated Resources |               |               |               |               |
|---|---------------------|---------------|---------------|---------------|---------------|
|   | 2023/24             | 2024/25       | 2025/26       | 2026/27       | 2027/28       |
|   | £'000               | £'000         | £'000         | £'000         | £'000         |
| <b>FROM EXTERNAL SOURCES</b>                                |                     |               |               |               |               |
| <b>Loans</b>  |                     |               |               |               |               |
| Prudential Borrowing  | 67,756              | 66,020        | 47,388        | 57,521        | 30,132        |
| <b>Government Grants</b>                                    |                     |               |               |               |               |
| DfT - Local Transport Plan (LTP)                            | 3,912               | 3,912         | 0             | 0             | 0             |
| DfT - Pothole Grant   | 2,569               | 1,835         | 0             | 0             | 0             |
| DfT - Network North Highways & Structures Maintenance grant | 525                 | 525           | 0             | 0             | 0             |
| DfT - Transforming Cities Fund                              | 3,429               | 1,225         | 0             | 0             | 0             |
| DfT - Active Travel Fund                                    | 3,350               | 3,719         | 0             | 0             | 0             |
| DLUHC - Future High Street Fund (FHSF)                      | 3,343               | 0             | 0             | 0             | 0             |
| DLUHC - Brownfield Land Release Fund (BLRF)                 | 5,778               | 0             | 0             | 0             | 0             |
| DLUHC - Levelling Up Fund (LUF)                             | 6,549               | 6,905         | 0             | 0             | 0             |
| DLUHC General   | 3,380               | 0             | 0             | 0             | 0             |
| Government Grants General                                   | (11)                | 0             | 0             | 0             | 0             |
| <b>Grants from Other Public Bodies</b>                      |                     |               |               |               |               |
| National Lottery Heritage Fund (NLHF)                       | 271                 | 0             | 0             | 0             | 0             |
| European Regional Development Fund (ERDF)                   | 2,047               | 0             | 0             | 0             | 0             |
| Nexus LTP   | 42                  | 42            | 0             | 0             | 0             |
| Homes England - Housing Infrastructure Fund (HIF)           | 5,610               | 0             | 0             | 0             | 0             |
| Historic England  | 60                  | 2,118         | 0             | 0             | 0             |
| Homes England – Other                                       | 905                 | 3,661         | 9,210         | 7,270         | 0             |
| Warm Homes Fund   | 31                  | 0             | 0             | 0             | 0             |
| NELEP   | 91                  | 0             | 0             | 0             | 0             |
| <b>Other External Funding</b>                               |                     |               |               |               |               |
| Nexus   | 1,432               | 0             | 0             | 0             | 0             |
| Other Grants General  | 0                   | 90            | 0             | 0             | 0             |
| <b>Total External Sources</b>                               | <b>111,069</b>      | <b>90,052</b> | <b>56,598</b> | <b>64,791</b> | <b>30,132</b> |

**DYNAMIC CITY  
CAPITAL PROGRAMME**

| Source of Finance             | Estimated Resources |               |               |               |               |
|-------------------------------|---------------------|---------------|---------------|---------------|---------------|
|                               | 2023/24             | 2024/25       | 2025/26       | 2026/27       | 2027/28       |
|                               | £'000               | £'000         | £'000         | £'000         | £'000         |
| <b>FROM INTERNAL SOURCES</b>  |                     |               |               |               |               |
| <b>Revenue Contributions</b>  |                     |               |               |               |               |
| Neighbourhood Fund            | 23                  | 0             | 0             | 0             | 0             |
| Directorate                   | 73                  | 0             | 0             | 0             | 0             |
| <b>Reserves</b>               |                     |               |               |               |               |
| Strategic Investment Reserve  | 279                 | 0             | 0             | 0             | 0             |
| S106 Reserves                 | 168                 | 437           | 0             | 0             | 0             |
| Capital Priorities Reserve    | 0                   | 25            | 50            | 0             | 0             |
| HCA Riverside Reserve         | 8,549               | 0             | 0             | 0             | 0             |
| <b>Capital Receipts</b>       |                     |               |               |               |               |
| Capital Receipts              | 940                 | 2,122         | 1,561         | 0             | 0             |
| <b>Total Internal Sources</b> | <b>10,032</b>       | <b>2,584</b>  | <b>1,611</b>  | <b>0</b>      | <b>0</b>      |
| <b>TOTAL FINANCING</b>        | <b>121,101</b>      | <b>92,636</b> | <b>58,209</b> | <b>64,791</b> | <b>30,132</b> |

**HEALTHY CITY  
CAPITAL PROGRAMME**

| Project Ref. No.                 | Project   | Project Description  | Project Sponsor | Gross Cost<br>£'000 | Expend to 31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|----------------------------------|---|--|-----------------|---------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Continuing Projects</b>       |   |  |                 |                     |                            |                  |                  |                  |                  |                  |
| <b>Adult Services</b>            |   |  |                 |                     |                            |                  |                  |                  |                  |                  |
| CP0432                           | Day Centre Refurbishment  | Refurbishment of Leechmere and Fulwell Day Centres to meet the needs of people with complex disabilities and behaviours. Alongside this the centres will offer care, social stimulation and day opportunities that is outcome focused but is able to meet the person's holistic health and social care needs, disabilities and behaviours.   | G King          | 3,000               | 133                        | 470              | 2,397            | 0                | 0                | 0                |
| CP0484                           | Bishopwearmouth Horticultural Nursery Carpark & Lighting Improvements | Improvements to the facilities at Bishopwearmouth Horticultural Nursey, namely the resurfacing of the existing aggregate car park and adjoining road with asphalt and the installation of outdoor lighting to car parks and outside work areas.  | G King          | 108                 | 94                         | 14               | 0                | 0                | 0                | 0                |
| CP0080                           | Disabled Facilities Grants  | Provision of grants to support much needed adaptations to be carried out to properties allowing people to remain in their homes.   | G King          | 16,975              | 11,916                     | 4,705            | 354              | 0                | 0                | 0                |
| CP0576                           | Technology Developments Adult Services                                | Investment into further assistive technology specific to adult social care and also mini schemes focused upon Technology Aided Productivity (TAP) benefiting the productivity of operational teams.  | G King          | 2,415               | 683                        | 932              | 550              | 250              | 0                | 0                |
| CP0577                           | Community Equipment Service Improvements                              | A planned new storage, admin and workshop facility in the Community Equipment Service (CES) located in the Leechmere Centre, including:<br><ul style="list-style-type: none"> <li>• equipment to support activities of daily living</li> <li>• equipment to support home nursing</li> <li>• mobility equipment and nonpowered wheelchairs</li> <li>• fitting of telecare/assistive technology</li> <li>• 24/7 equipment delivery and repair service</li> <li>• electric vehicle infrastructure.</li> </ul> | G King          | 500                 | 152                        | 348              | 0                | 0                | 0                | 0                |
| CP0578                           | Learning Disabilities Out of Hospital Community Provision             | Investment into accommodation tailored solutions to ensure that people with a learning disability and/or autism in hospital who could be supported in the community are discharged into a community setting as soon as possible and to prevent inappropriate admissions, and longer-term work to reshape the provision of care and support services.   | G King          | 724                 | 69                         | 293              | 362              | 0                | 0                | 0                |
| <b>TOTAL CONTINUING PROJECTS</b> |   |  |                 | <b>23,722</b>       | <b>13,047</b>              | <b>6,762</b>     | <b>3,663</b>     | <b>250</b>       | <b>0</b>         | <b>0</b>         |

**HEALTHY CITY  
CAPITAL PROGRAMME**

| Project Ref. No.                            | Project   | Project Description   | Project Sponsor | Gross Cost<br>£'000 | Expend to<br>31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|---|---|---|-----------------|---------------------|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>PROJECTS COMMENCING 2024/25</b>          |   |   |                 |                     |                               |                  |                  |                  |                  |                  |
| <b>Adult Services</b>                       |   |   |                 |                     |                               |                  |                  |                  |                  |                  |
| CP0625                                      | Barnes Park Coffee Stop Café - Conversion of the Building to Enhance Facilities and Service Offer | Conversion of the Barnes Park Coffee Stop Café building to enhance facilities with improvements to both the lower and first floor as well as a conservatory extension. The refurbishment will include the upgrade and expansion of the catering area, an improved seating area by extending the front of the building to increase capacity to 30 diners, provision of a storage facility, and the development on the first floor of an airconditioned refrigeration room, meeting room and office.  | G King          | 150                 | 0                             | 0                | 150              | 0                | 0                | 0                |
| CP0624                                      | Farnborough Court Intermediate Care Centre Refurbishment  | Farnborough Court Intermediate Care Centre is a purpose-built service which provides up to 42 beds to support adults from the age of 18 who are recovering from illness or injury and has been in operational for over 20 years. It is planned to modernise and refurbish the building to enhance the facilities and provide a building which is fit for purpose and can meet the aspirations of the service. Improvements will include refurbishment of the bedrooms and ensuite facilities as well as to the kitchens and other communal areas. | G King          | 750                 | 0                             | 0                | 750              | 0                | 0                | 0                |
| CP0080                                      | Disabled Facilities Grants  | Provision of grants to support much needed adaptations to be carried out to properties allowing people to remain in their homes.  | G King          | 4,155               | 0                             | 0                | 4,155            | 0                | 0                | 0                |
| <b>TOTAL PROJECTS COMMENCING 2024/25</b>    |   |   |                 | <b>5,055</b>        | <b>0</b>                      | <b>0</b>         | <b>5,055</b>     | <b>0</b>         | <b>0</b>         | <b>0</b>         |
| <b>TOTAL HEALTHY CITY CAPITAL PROGRAMME</b> |   |   |                 | <b>28,777</b>       | <b>13,047</b>                 | <b>6,762</b>     | <b>8,718</b>     | <b>250</b>       | <b>0</b>         | <b>0</b>         |

**HEALTHY CITY  
CAPITAL PROGRAMME**

| <b>Source of Finance</b>      | <b>Estimated Resources</b> |                |                |                |                |
|-------------------------------|----------------------------|----------------|----------------|----------------|----------------|
|                               | <b>2023/24</b>             | <b>2024/25</b> | <b>2025/26</b> | <b>2026/27</b> | <b>2027/28</b> |
|                               | <b>£'000</b>               | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b>   |
| <b>FROM EXTERNAL SOURCES</b>  |                            |                |                |                |                |
| <b>Loans</b>                  |                            |                |                |                |                |
| Prudential Borrowing          | 1,729                      | 4,209          | 250            | 0              | 0              |
| <b>Government Grants</b>      |                            |                |                |                |                |
| DoH&SC - Disabled Facilities  | 4,605                      | 4,409          | 0              | 0              | 0              |
| <b>Other External Funding</b> |                            |                |                |                |                |
| Gentoo                        | 100                        | 100            | 0              | 0              | 0              |
| <b>Total External Sources</b> | <b>6,434</b>               | <b>8,718</b>   | <b>250</b>     | <b>0</b>       | <b>0</b>       |
| <b>FROM INTERNAL SOURCES</b>  |                            |                |                |                |                |
| <b>Reserves</b>               |                            |                |                |                |                |
| Strategic Investment Reserve  | 20                         | 0              | 0              | 0              | 0              |
| Other Capital Reserves        | 308                        | 0              | 0              | 0              | 0              |
| <b>Total Internal Sources</b> | <b>328</b>                 | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>       |
| <b>TOTAL FINANCING</b>        | <b>6,762</b>               | <b>8,718</b>   | <b>250</b>     | <b>0</b>       | <b>0</b>       |

**VIBRANT CITY  
CAPITAL PROGRAMME**

| Project Ref. No.                 | Project   | Project Description  | Project Sponsor | Gross Cost<br>£'000 | Expend to 31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|----------------------------------|---|--|-----------------|---------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Continuing Projects</b>       |   |  |                 |                     |                            |                  |                  |                  |                  |                  |
| <b>Community Services</b>        |   |  |                 |                     |                            |                  |                  |                  |                  |                  |
| CP0412                           | Neighbourhood Capital Investment Programme (NCIP)         | Provision for devolved priority investments into Neighbourhood Renewals.   | G Scanlon       | 2,371               | 1,053                      | 930              | 388              | 0                | 0                | 0                |
| <b>Culture, Events and Sport</b> |   |  |                 |                     |                            |                  |                  |                  |                  |                  |
| CP0309                           | Parklife Football Hubs                                    | Provision of 3 football hub sites strategically located in areas of demand, geographically positioned and with good transport links.   | V French        | 18,370              | 18,268                     | 102              | 0                | 0                | 0                | 0                |
| CP0579                           | Arts Centre Washington Refurbishment                      | Planned investment to update, improve and make more accessible a number of hire spaces at Arts Centre Washington. This will generate additional income to support operations and programme, and see the Low Barn, Granary and Theatre upgraded.  | C Auld          | 322                 | 17                         | 305              | 0                | 0                | 0                | 0                |
| CP0581                           | Modernising Libraries (Washington and Houghton Libraries) | A modernisation and refurbishment of both Houghton and Washington libraries will be aligned to Culture House, equally profiling the professional Libraries Services in the City to a position where they can support and improve life skills and chances of residents of all ages and backgrounds. The investment in Culture House will create an exciting City centre space for learning, creativity and socialisation, the modernisation of both Houghton & Washington will create a similar vibrant, physical experience for residents across the City, ahead of Culture House opening. | C Auld          | 1,050               | 11                         | 642              | 397              | 0                | 0                | 0                |
| CP0585                           | Football Hubs Sinking Fund                                | Provision of a sinking fund for football hubs replacement of 3G surfaces   | V French        | 2,571               | 0                          | 0                | 0                | 0                | 2,571            | 0                |
| CP0586                           | Hetton Ward Sport & Rec Facilities                        | Providing new and improved opportunities for residents to participate in sport and physical activity. Projects including providing Ebikes for people with disabilities to use, a range of outdoor gym equipment for Elemore Country Park, and a new pontoon for Hetton Lyons Country Park.   | V French        | 194                 | 186                        | 8                | 0                | 0                | 0                | 0                |

**VIBRANT CITY  
CAPITAL PROGRAMME**

| Project Ref. No. | Project   | Project Description   | Project Sponsor | Gross Cost<br>£'000 | Expend to 31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|------------------|---|---|-----------------|---------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|
| CP0587           | East Rainton Cricket Club   | Installation of a perimeter fence at East Rainton Cricket Club enabling the club to continue operating and providing sport and activity opportunities at the community.   | V French        | 43                  | 29                         | 14               | 0                | 0                | 0                | 0                |
| CP0540           | Culture House   | Creation of a new 80,000 square foot library and archive facility as an anchor attraction and focal point to the Central Business District, generating additional footfall and expenditure into the City. The building will incorporate indoor city square, adult library, children and young people's library, learning zone, creative/making spaces, local history and archives, events space, café and outdoor space. It will be designed to the highest achievable sustainability requirements in order to minimise ongoing revenue costs and to meet the Council's objective of being Carbon Zero by 2030. The project is part funded through external funding secured from the Future High Street Fund. | A Crabb         | 41,000              | 4,307                      | 6,083            | 19,559           | 11,051           | 0                | 0                |
| CP0541           | Washington F Pit Heritage Visitor Centre and Albany Park Improvements | Construction of a new heritage visitor centre incorporating exhibition, teaching and community space and a café for the museum and park users, along with repair and improvement works to the existing Museum engine house and associated public realm and boundary works, new play park, car park, junction and access road. Improvement works to Albany Park including tree replacement planting, ecological improvements, wetland area, wildflower meadows, play and exercise facilities, trim trails, interpretation and events space.  | C Auld          | 4,650               | 45                         | 305              | 1,000            | 3,000            | 300              | 0                |

**VIBRANT CITY  
CAPITAL PROGRAMME**

| Project Ref. No.                 | Project   | Project Description  | Project Sponsor | Gross Cost<br>£'000 | Expend to<br>31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|----------------------------------|---|--|-----------------|---------------------|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| CP0542                           | Digitisation of Local History & Library collections | Digitisation of local history and library collections. The biggest collection of local and social history records owned by the Council chart the development and changing face of the City over hundreds of years.   | C Auld          | 650                 | 169                           | 135              | 346              | 0                | 0                | 0                |
| CP0544                           | Festival of Light                                   | Refresh of the lighting offer for the Festival of Light, to support the delivery of the event over a 4- year period.   | M Dixon         | 150                 | 0                             | 0                | 150              | 0                | 0                | 0                |
| CP0405                           | Sunderland Museum & Winter Gardens Redevelopment    | A planned refurbishment of the Sunderland Museum and Winter Gardens to improve the cultural offer in the city and seek to refurbish many of the tired exhibits as well as ensuring that the museum delivery is fully integrated to ensure maximum opportunity for events, programme, exhibitions and learning lessons. The proposal is subject to securing external funding to deliver full planned works. | C Auld          | 11,104              | 313                           | 351              | 1,043            | 4,699            | 4,698            | 0                |
| CP0612                           | Sunderland Museum and Park Community Garden (UKSPF) | A Council led project funded by UKSPF grant - the Sunderland Museum and Park Community Garden. This project will support the development of a community garden next to the Museum and Winter Gardens to help create a greater sense of place, pride and ownership, working with the Friends of Mowbray Park.   | C Auld          | 103                 | 0                             | 87               | 16               | 0                | 0                | 0                |
| CP0607                           | LTA Parks Tennis Court Refurbishment                | The refurbishment of tennis courts in Sunderland, at Barnes Park, Ryhope, Usworth Park, Hetton, Barley Mow, Roker and Thompson Park.   | V French        | 403                 | 0                             | 403              | 0                | 0                | 0                | 0                |
| <b>TOTAL CONTINUING PROJECTS</b> |   |  |                 | <b>82,981</b>       | <b>24,398</b>                 | <b>9,365</b>     | <b>22,899</b>    | <b>18,750</b>    | <b>7,569</b>     | <b>0</b>         |



**VIBRANT CITY  
CAPITAL PROGRAMME**

| Project Ref. No.                            | Project                          | Project Description   | Project Sponsor | Gross Cost<br>£'000 | Expend to 31.3.23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 | 2026/27<br>£'000 | 2027/28<br>£'000 |
|---|----------------------------------|---|-----------------|---------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>PROJECTS COMMENCING 2024/25</b>          |                                  |   |                 |                     |                            |                  |                  |                  |                  |                  |
|   | <b>Culture, Events and Sport</b> |   |                 |                     |                            |                  |                  |                  |                  |                  |
| CP0626                                      | Leisure Facilities               | <p>A planned series of improvements at leisure facilities across the city to ensure a financially sustainable leisure provision, that provides significant contribution to the vision for establishing “An Active Sunderland – a city where everyone is as active as they can be”. In addition, this investment will ensure the leisure provision meets its statutory obligations with lifecycle maintenance, and that the standard of the leisure offers meets the needs of the customers as well as reduce the carbon footprint of the leisure facilities and contribute to the goal of net zero by 2035. Improvements include:</p> <ul style="list-style-type: none"> <li>• Gym refurbishments - replace all equipment and change the layout/branding of the facilities at all the of the facilities,</li> <li>• Silksworth Athletics Track - replace the track and add a fence to protect track from vandalism,</li> <li>• Changing room refurbishments – upgrades at Sunderland Aquatic Centre, Silksworth Tennis Centre, Hetton, Houghton, Raich Carter, Washington &amp; Silksworth Ski,</li> <li>• Mechanical &amp; electrical lifecycle works to the Sunderland Aquatic Centre, and</li> <li>• Energy saving - LED light replacement for outdoor courts, installation of Solar PV at Hetton, Raich Carter and Silksworth Tennis Centre.</li> </ul> | V French        | 6,102               | 0                          | 0                | 1,993            | 979              | 1,576            | 1,554            |
| <b>TOTAL PROJECTS COMMENCING 2024/25</b>    |                                  |   |                 | <b>6,102</b>        | <b>0</b>                   | <b>0</b>         | <b>1,993</b>     | <b>979</b>       | <b>1,576</b>     | <b>1,554</b>     |
| <b>TOTAL VIBRANT CITY CAPITAL PROGRAMME</b> |                                  |   |                 | <b>89,083</b>       | <b>24,398</b>              | <b>9,365</b>     | <b>24,892</b>    | <b>19,729</b>    | <b>9,145</b>     | <b>1,554</b>     |

**VIBRANT CITY  
CAPITAL PROGRAMME**

| <b>Source of Finance</b>                  | <b>Estimated Resources</b> |               |               |              |              |
|---|----------------------------|---------------|---------------|--------------|--------------|
|   | 2023/24                    | 2024/25       | 2025/26       | 2026/27      | 2027/28      |
|   | £'000                      | £'000         | £'000         | £'000        | £'000        |
| <b>FROM EXTERNAL SOURCES</b>              |                            |               |               |              |              |
| <b>Loans</b>                              |                            |               |               |              |              |
| Prudential Borrowing                      | 2,329                      | 14,320        | 14,409        | 6,826        | 1,554        |
| <b>Government Grants</b>                  |                            |               |               |              |              |
| DLUHC - UK Shared Prosperity Fund (UKSPF) | 87                         | 16            | 0             | 0            | 0            |
| DLUHC - Future High Street Fund (FHSF)    | 6,083                      | 10,121        | 0             | 0            | 0            |
| DLUHC - Changing Places Fund              | 50                         | 0             | 0             | 0            | 0            |
| <b>Grants from Other Public Bodies</b>    |                            |               |               |              |              |
| National Lottery Heritage Fund (NLHF)     | 152                        | 210           | 2,320         | 2,319        | 0            |
| Arts Council                              | 199                        | 150           | 0             | 0            | 0            |
| <b>Other External Funding</b>             |                            |               |               |              |              |
| Other Grants General                      | 332                        | 75            | 0             | 0            | 0            |
| <b>Total External Sources</b>             | <b>9,232</b>               | <b>24,892</b> | <b>16,729</b> | <b>9,145</b> | <b>1,554</b> |
| <b>FROM INTERNAL SOURCES</b>              |                            |               |               |              |              |
| <b>Revenue Contributions</b>              |                            |               |               |              |              |
| Neighbourhood Fund                        | 40                         | 0             | 0             | 0            | 0            |
| <b>Reserves</b>                           |                            |               |               |              |              |
| Strategic Investment Reserve              | 71                         | 0             | 0             | 0            | 0            |
| S106 Reserves                             | 22                         | 0             | 0             | 0            | 0            |
| Culture House AV Reserve                  | 0                          | 0             | 3,000         | 0            | 0            |
| <b>Total Internal Sources</b>             | <b>133</b>                 | <b>0</b>      | <b>3,000</b>  | <b>0</b>     | <b>0</b>     |
| <b>TOTAL FINANCING</b>                    | <b>9,365</b>               | <b>24,892</b> | <b>19,729</b> | <b>9,145</b> | <b>1,554</b> |

**PROJECT SPONSORS KEY  
CAPITAL PROGRAMME**

| <b>Project Sponsor</b> | <b>Job Title</b>   |
|------------------------|--|
| A Crabb                | Development Director (Commercial)                              |
| C Auld                 | Assistant Director of Economic Regeneration                    |
| C Mordue               | Assistant Director of Transport & Infrastructure               |
| G King                 | Director of Adult Services and Chief Operating Officer of SCaS |
| G Scanlon              | Assistant Director of Housing Services & Communities           |
| J Colbert              | Chief Executive of TfC & Director of Children Services         |
| L St Louis             | Director of Smart Cities and Enabling Services                 |
| M Dixon                | Assistant Director of Regulatory Services                      |
| M Hunt                 | Port Director  |
| M Morley               | Director of Environmental Services                             |
| N Guthrie              | Development Director (Residential)                             |
| P Davies               | Assistant Director of Assurance and Property Services          |
| P McIntyre             | Executive Director of City Development                         |
| S Savage               | Project Director   |
| V French               | Senior Manager Health and Wellbeing                            |



## Prudential and Treasury Indicators 2024/2025 to 2027/2028

All of the prudential indicators fully reflect regulatory requirements. Should any of the Council's prudential indicators be exceeded during the year then they will be reported to Cabinet and where appropriate full Council at the next appropriate meeting following the change.

The indicators that must be taken into account are set out below:

- P1 Actual capital expenditure incurred in 2022/2023 was £152.285 million and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

|                               | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|-------------------------------|---------|---------|---------|---------|---------|
|                               | £m      | £m      | £m      | £m      | £m      |
| Estimated Capital Expenditure | 193.38  | 214.82  | 139.42  | 99.37   | 39.22   |

The capital expenditure plans set out in Appendix 2 provide details of the service activity of the Council.

The treasury management function ensures that the Council's cash is managed in accordance with the relevant professional codes, so that sufficient cash is available to meet its activity taking into account the estimated expenditure profile and any grant awards received.

- P2 The fundamental objective in the consideration of the affordability of the Council's capital plans is to ensure that the level of investment in capital assets proposed means that the total capital investment of the Council remains within sustainable limits. In considering the affordability of its capital plans the Council considers the resources currently available to it and estimated to be received in the future, together with the totality of its capital plans, income and expenditure forecasts.

The Council does not invest in commercial activity for financial return, and therefore receives no income linked to this type of investment.

The Council ensures that the revenue implications of capital finance, including financing costs, are properly taken into account within option appraisal processes, the Capital Programme and the Medium-Term Financial Plan (MTFP). In assessing affordability, the Council considers the council tax implications of its Capital Programme, borrowing decisions and investment decisions. The Council sets and monitors prudential indicators as key indicators of affordability.

Estimates of the proportion of financing costs to net revenue stream for the current and future years, and the actual figures for 2022/2023 are:

| <b>Estimates of financing costs to net revenue stream</b> |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
| <b>2022/2023</b>  | <b>2023/2024</b> | <b>2024/2025</b> | <b>2025/2026</b> | <b>2026/2027</b> | <b>2027/2028</b> |
| <b>Actual</b>   | <b>Estimate</b>  | <b>Estimate</b>  | <b>Estimate</b>  | <b>Estimate</b>  | <b>Estimate</b>  |
| 9.44%   | 8.08%            | 10.12%           | 10.68%           | 11.51%           | 11.83%           |

The estimates of financing costs include current commitments and the proposals in the revenue budget and capital programme reports. The forecasts provide an indication of the impact of the capital investment plans on the Council's overall finances. They show increases to the ratio as a result of additional planned prudential borrowing for strategic priorities approved in the Capital Programme. The indicators do not show additional revenue income that has been received, or that is forecast to be generated from the investments included in the Council's Capital Programme.

The level of financing costs is considered to be affordable and has been taken into account when assessing the MTFP.

- P3 Estimates of the end of year Capital Financing Requirement for the Council for the current and future years and the actual Capital Financing Requirement at 31st March 2023 are:

| <b>Capital Financing Requirement</b> |                 |                 |                 |                 |                 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>31/03/23</b>                      | <b>31/03/24</b> | <b>31/03/25</b> | <b>31/03/26</b> | <b>31/03/27</b> | <b>31/03/28</b> |
| <b>£'000</b>                         | <b>£'000</b>    | <b>£'000</b>    | <b>£'000</b>    | <b>£'000</b>    | <b>£'000</b>    |
| <b>Actual</b>                        | <b>Estimate</b> | <b>Estimate</b> | <b>Estimate</b> | <b>Estimate</b> | <b>Estimate</b> |
| 689,672                              | 803,292         | 943,773         | 1,042,905       | 1,103,952       | 1,116,049       |

The Capital Financing Requirement is the historic outstanding capital expenditure which has not yet been paid for from revenue or capital resources. It measures the Council's underlying need to borrow for a capital purpose. It does not increase indefinitely as it is decreased by the Minimum Revenue Provision which broadly reduces the borrowing need in line with assets lives. The increase in the Capital Financing Requirement reflects the underlying borrowing need in respect of funding proposals in the Capital Programme.

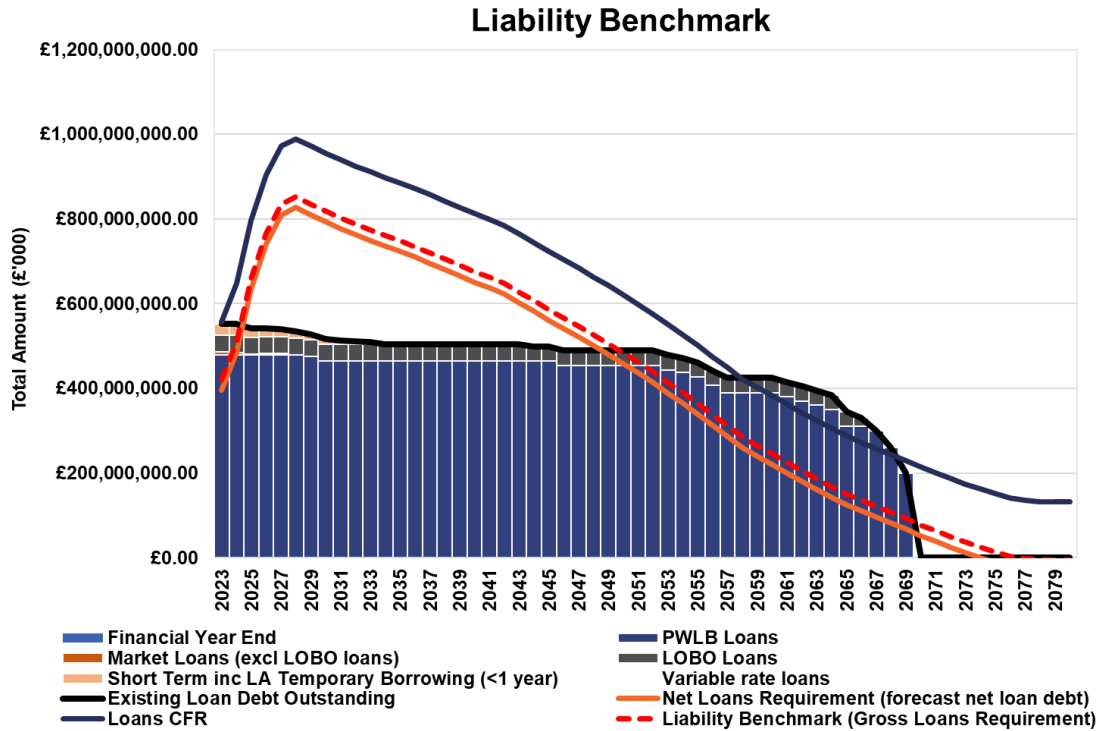
The Capital Financing Requirement includes other long-term liabilities e.g. Private Finance Initiative (PFI) schemes and finance leases. Whilst this increases the Capital Financing Requirement, and therefore the Council's borrowing requirement, these types of schemes include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council had £130.827 million of such schemes included in its Capital Financing Requirement as at 31<sup>st</sup> March 2023.

- P4 CIPFA's Prudential Code for Capital Finance in Local Authorities includes the following comparator between gross debt and the capital financing requirement as a key indicator of prudence:

"In order to ensure that over the medium-term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years."

The Council had no difficulty meeting this requirement in 2022/2023, nor are there any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in this report and the report elsewhere on today's agenda on the Revenue Budget and Proposed Council Tax 2024/2025.

The liability benchmark for the Council is shown in the chart below. From 2025 onwards it is projected for the next 20 years that the Council will be under-borrowed against its requirements. This will mean that additional borrowing will be required but the Council will manage that, as it always has, by monitoring interest rates and identifying the most appropriate borrowing opportunities. There may be occasions when the Council will opt to actively be under-borrowed to avoid excessive interest rate costs and manage financing requirements through internal resources.



P5 In respect of its external debt, it is recommended that the Council approves the following authorised limits for its total external debt (gross of investments) for the next four financial years. These limits must separately identify borrowing from other long-term liabilities such as PFI schemes and leases. The Council is asked to approve these limits and to delegate authority to the Director of Finance, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities, in accordance with option appraisal and best value for the Council. Any such changes made will be reported to Cabinet and the Council at the next available meeting.

|                             | <b>Authorised Limit for External Debt</b> |                  |                  |                  |                  |
|-----------------------------|---|------------------|------------------|------------------|------------------|
|                             | <b>2023/2024</b>                          | <b>2024/2025</b> | <b>2025/2026</b> | <b>2026/2027</b> | <b>2027/2028</b> |
|                             | <b>£'000</b>                              | <b>£'000</b>     | <b>£'000</b>     | <b>£'000</b>     | <b>£'000</b>     |
| Borrowing                   | 1,037,533                                 | 1,065,080        | 1,043,975        | 1,023,097        | 1,009,561        |
| Other long-term liabilities | 153,699                                   | 145,577          | 137,152          | 129,218          | 121,386          |
| <b>Total</b>                | <b>1,191,232</b>                          | <b>1,210,657</b> | <b>1,181,127</b> | <b>1,152,315</b> | <b>1,130,947</b> |

The above authorised limits are consistent with the Council's current commitments, existing plans and the proposals in this report for capital expenditure and financing, and with its approved treasury management policy

statement and practices. They are based on the estimate of most likely, prudent, but not worst-case scenario, with, in addition, sufficient headroom over and above this to allow for operational management, for example unusual cash movements, non-financial investments and refinancing of all internal borrowing. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the Capital Financing Requirement and estimates of cash flow requirements for all purposes.

The Council also undertakes investment and borrowing on behalf of external bodies such as Tyne and Wear Fire and Rescue Authority. Treasury Management undertaken on behalf of other authorities is included in the Council's borrowing limits, however it is excluded when considering financing costs and when calculating net borrowing for the Council. A specific element of risk has also been taken into account for these bodies. The capital expenditure and borrowing of companies where the Council has an interest such as International Advanced Manufacturing Park (IAMP LLP), Siglion, Sunderland Care and Support Ltd, Sunderland Lifestyle Partnership Ltd and Together for Children Sunderland Ltd is not included within the Council's prudential indicators, however regard to the financial commitments and obligations to those bodies is taken into account when deciding whether borrowing is affordable.

In taking its decisions on the Revenue Budget and Capital Programme for 2024/2025, the Council is asked to note that the authorised limit determined for 2024/2025 (see P5 above) will be the statutory limit determined under section 3(1) of the Local Government Act 2003.

- P6 The Council is also asked to approve the following operational boundary for external debt for the same time period. The proposed operational boundary for external debt is based on the same estimates as the authorised limit, but reflects directly the estimate of the most likely, prudent but not worst-case scenario level, without the additional headroom included within the authorised limit to allow for example for unusual cash flow movements. It equates to the projected maximum external debt and represents a key management tool for in year monitoring. Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified. The Council is also requested to delegate authority to the Director of Finance, within the total operational boundary for any individual year, to effect movement between the separately agreed figures for borrowing and other long-term liabilities, similar to the authorised limit set out in P5.

The operational boundary limit will be closely monitored, and a report will be made to Cabinet if it is exceeded at any point in the financial year ahead. It is generally only expected that the actual debt outstanding will approach the operational boundary when all of the long-term borrowing needed to support the Council's Capital Programme has been undertaken for that particular year and the next two financial years and that it will only be exceeded temporarily as a result of the timing of debt rescheduling.



| <b>Operational Boundary for External Debt</b> |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|
|   | <b>2023/2024</b> | <b>2024/2025</b> | <b>2025/2026</b> | <b>2026/2027</b> | <b>2027/2028</b> |
|   | <b>£'000</b>     | <b>£'000</b>     | <b>£'000</b>     | <b>£'000</b>     | <b>£'000</b>     |
| Borrowing                                     | 1,012,533        | 1,040,080        | 1,018,975        | 998,087          | 984,561          |
| Other long-term liabilities                   | 153,699          | 145,577          | 137,152          | 129,218          | 121,386          |
| <b>Total</b>                                  | <b>1,166,232</b> | <b>1,185,657</b> | <b>1,156,127</b> | <b>1,127,315</b> | <b>1,105,947</b> |

P7 The Council's actual external debt at 31<sup>st</sup> March 2023 was £681.850 million and was made up of borrowing of £549.336 million and other long-term liabilities of £132.514 million.

The Council includes an element for long-term liabilities relating to PFI schemes and finance leases in its calculation of the operational and authorised boundaries to allow further flexibility over future financing. It should be noted that actual external debt is not directly comparable to the authorised limit and operational boundary since the actual external debt reflects the position at any one point in time and allowance needs to be made for internal borrowing and cash flow variations.

P8 The Council is no longer required to formally indicate if it has adopted the CIPFA Code of Practice on Treasury Management. However, the revised Code was adopted in 2017 by full Council and is re-affirmed annually.

The objective of the Prudential Code is to provide a clear framework for local authority capital finance that will ensure for individual local authorities that:

- (a) capital expenditure plans are affordable;
  - (b) all external borrowing and other long-term liabilities are within prudent and sustainable levels; and
  - (c) treasury management and investment decisions are taken in accordance with professional good practice and in full understanding of the risks involved.
- And that in taking decisions in relation to (a) to (c) above the local authority is accountable, by providing a clear and transparent framework.

Further, the framework established by the Code should be consistent with and support:

- (a) local strategic planning;
- (b) local asset management planning; and
- (c) proper option appraisal.

In exceptional circumstances the objective of the Code is to provide a framework that will demonstrate that there is a danger of not ensuring the above, so that the Council can take timely remedial action.

**CIPFA Treasury Management in the Public Services Code of Practice - Indicators 2024/2025 to 2027/2028**

P9 It is recommended that the Council sets upper and lower limits for the maturity structure of its borrowings as follows:

Amount of projected borrowing maturing in each period expressed as a percentage of total projected borrowing at the start of the period:

|                                | Upper limit | Lower limit |
|--------------------------------|-------------|-------------|
| Under 12 months                | 50%         | 0%          |
| 12 months and within 24 months | 60%         | 0%          |
| 24 months and within 5 years   | 80%         | 0%          |
| 5 years and within 10 years    | 100%        | 0%          |
| 10 years and within 20 years   | 100%        | 0%          |
| 20 years and within 30 years   | 100%        | 0%          |
| 30 years and within 40 years   | 100%        | 0%          |
| 40 years and within 50 years   | 100%        | 0%          |
| over 50 years                  | 100%        | 0%          |

P10 A maximum maturity limit of £75 million is set for each financial year (2024/2025, 2025/2026, 2026/2027 and 2027/2028) for long-term investments (those over 365 days), made by the Council. This gives additional flexibility to the Council in undertaking its Treasury Management function. Should the Council appoint any external fund managers during the year, these limits will be apportioned accordingly. The types of investments to be allowed are detailed in the Annual Investment Strategy (Appendix 7).

At present the Council has £29.376m of long-term investments. This is £16.508m for the value of share capital held in NIAL Holdings PLC (a 18.87% share), a £12.350m equity investment in Siglion (a 100% share), a £0.500m equity share in Sunderland Lifestyle Partnership Ltd (a 50% share) and the Council also holds £0.018m in shares and unit trusts.

## Minimum Revenue Provision Policy Statement 2024/2025

- 1.1 The Council is required to repay an element of its accumulated General Fund capital financing requirement each year through a revenue charge known as the Minimum Revenue Provision (MRP). Until 2007/2008 the basis of calculation for the MRP was specified in legislation. However, from 31<sup>st</sup> March 2008 onwards the statutory requirement is simply for local authorities to make a prudent level of provision and the Department for Levelling Up, Housing and Communities (DLUHC) has instead provided statutory guidance on the methodology to use, which local authorities are required to 'have regard to' when assessing an appropriate MRP. The guidance recommends that authorities must submit to full Council an annual statement of its policy on making a MRP in respect of the following financial year. Any subsequent revisions to that policy should also be approved by full Council. The latest guidance has been considered when setting the MRP policy for 2024/2025.

Local authorities have significant discretion in determining the level of MRP which they consider to be prudent. A review of the Council's MRP policy in 2015/2016 identified changes to the way in which MRP was calculated that reduces the pressure on its revenue budget but still ensures that a prudent level of provision is set aside. A further review was undertaken in 2016/2017 to determine how much additional MRP has been charged to the revenue account had the annuity basis used to calculate MRP, that was introduced from 2015/2016, been adopted from 1<sup>st</sup> April 2008.

It was established that around £43.512m less MRP would have been charged between 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 2016 had the annuity basis been adopted during this period. Council approved that the overprovision of MRP in previous years be used to reduce MRP for 20 years from 2016/2017 by a fixed amount of £2.176m each year until 2036/2037. Phasing over 20 years is the time period that the Government specify for expenditure to be treated as capital expenditure by virtue of direction under section 16(2)(b) of the 2003 Act and is considered to be prudent as taking previous overpayments over this longer period slows the increase to the Council's capital financing requirement, and therefore interest charges, whilst still giving additional certainty to the Council's debt charges budget.

This document sets out the MRP policy for 2024/2025.

- 1.2 The statutory guidance issued by the DLUHC considers the broad aim of a prudent MRP policy as being "to require local authorities to put aside revenue over time to cover their capital financing requirement. In doing so local authorities should align the period over which they charge MRP to one that is commensurate with the period over which their capital expenditure provides benefits", or in the case of borrowing supported by Government Revenue Support Grant (RSG) "to put funds aside over a period commensurate with the period implicit in the determination of that grant." The DLUHC guidance considers that the asset life over which debt should be repaid should normally not exceed 50 years except where an appropriately qualified professional advisor assesses the useful life will exceed 50 years, or in the case of a

finance lease or PFI asset where the length of the lease or contract exceeds 50 years. The duty to make MRP extends to investment properties where their acquisition has been partially or fully funded by an increase in borrowing or credit arrangements.

1.3 The four options for calculating MRP which are set out in the guidance can be summarised as follows:

- Option 1 – Regulatory Method: applying the statutory formula set out in the 2003 Regulations before it was revoked in 2008.
- Option 2 – Capital Financing Requirement (CFR) Method: multiplying the CFR at the end of the preceding financial year by 4%. This method calculates a similar amount of MRP to Option 1.
- Option 3 – Asset Life Method: amortising expenditure over an estimated useful life for the relevant assets created. An assessment must be made of the asset life at the outset of the capital scheme and MRP is charged to revenue in either equal annual instalments or by an annuity method over the estimated life of the asset. The MRP charge will commence in the financial year following the one in which the asset comes into service.
- Option 4 – Depreciation Method: making charges to revenue in accordance with the standard rules for depreciation accounting for the particular asset being created or enhanced.

Although four options are included in the guidance produced by DLUHC other approaches are not meant to be ruled out, provided that they are fully consistent with the statutory duty to make prudent revenue provision. It is the responsibility of each authority to decide on the most appropriate method of making a prudent provision, after having regard to the guidance.

1.4 The Council used Option 1 (the Regulatory Method) for government supported borrowing until 2015/2016 where MRP was calculated on all loan advances and repayments through the Council's consolidated advances and borrowing pool at 4% of the opening 'credit ceiling' balance.

The method of calculating MRP on government supported borrowing was changed in 2015/2016 so that all debt is repaid in full over a 50 year period. Guidelines state that the period debt is repaid over for government supported borrowing should be "over a period commensurate with the period implicit in the determination of that grant". Since business rates reform in 2013/2014, the changes made to the funding formula for Revenue Support Grant (RSG) mean that there is no component of grant determining an implicit level of support for debt repayment. As a result, it is no longer possible to relate grant received to any particular level or period of annual debt repayment that supports borrowing. Additionally, grants distributed to local authorities are controlled to a national limit which has been reduced substantially in recent years irrespective of the outstanding supported borrowing levels an individual local authority may have.

Given this lack of visibility on the level of grant support provided for debt it is estimated that only a proportion of the requirement is now provided. This extended the repayment to 50 years which is considered reasonable given the Council's asset portfolio to which the debt relates.

- 1.5 For borrowing where no support has been provided from the government, known as unsupported borrowing, the Council has previously used the Asset Life Method (option 3) for calculating MRP, with the MRP charge commencing in the financial year following the one in which the capital scheme the borrowing relates to is complete and the asset has come into service. It is felt that the depreciation method for calculating MRP (option 4) is subject to too much volatility when asset lives are reassessed as part of the revaluation process.

Estimated asset life periods will be determined under delegated powers. As some types of capital expenditure schemes incurred by the Council are not capable of being related to an individual asset, such as IT infrastructure, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives. The Council also reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate, for example in the case of the Northern Spire bridge which has been assessed as having an asset life of over 50 years.

**It is proposed that the Council continues to use the Asset Life Method (option 3) for calculating MRP on unsupported borrowing with the exception of any grants, deposits or loans made for capital purposes for which borrowing is taken out.** In these cases, it is proposed that MRP is based on the actual principal repayment schedule relating to the grant, deposit or loan provided.

- 1.6 It is proposed that MRP for both supported and unsupported borrowing continues to be calculated using an annuity method. The interest rate used to profile the MRP under the annuity method will be 3.50% which is the discount rate used by the government in its Green Book when assessing long term projects and is similar to the Council's current interest paid on fixed rate borrowing (2.68%). Government guidelines support the use of the annuity method to calculate MRP for option 3 and the interest rate used to profile MRP will be reviewed annually to ensure that it is still appropriate.

Use of the annuity method means the MRP that is applied to Council borrowing will increase each year until the borrowing is repaid at the end of the asset life (or after 50 years in the case of supported borrowing). This method means that provision for debt repayments better reflects the time value of money i.e. where paying £100 in 20 years' time is less of a burden than paying £100 now, and it means that costs will be spread more evenly amongst the council tax payers that will receive benefit from the capital expenditure. It is

therefore considered the fairest method to use.

Use of the annuity method does not increase overall levels of debt but does mean that the level of capital expenditure financed by borrowing, the Capital Financing Requirement (CFR) will initially reduce more slowly than using the equal instalment method as the amount of MRP applied in early years is lower. The consequence of debt being repaid more slowly will be that the Council incurs a higher interest cost (although the net present value of the additional costs incurred compared to other methods of providing from MRP is neutral).

A major benefit of the recommended policy is that the Council's Capital Financing requirement for supported borrowing will be eliminated more quickly than under DLUHC options 1 or 2. The proposed method will fully write down the CFR for supported borrowing to zero over the 50 years period whereas options 1 and 2 would leave a balance remaining in perpetuity. These proposals for MRP therefore ensure that prudence is maintained and strengthened as debts are provided for more quickly and more transparently.

- 1.7 Given budget pressures, it is proposed that opportunities for utilising the prudential framework by taking out additional borrowing, be restricted to a level where provision has been made within the revenue budget and where the expenditure will either be used to support the Council's key priorities in terms of regeneration plans and strategic priorities, to fund invest to save schemes, or to support asset purchases where option appraisal of funding through borrowing instead of leasing is appropriate. The revenue budget is framed to enable such levels to be affordable and sustainable into future years.
- 1.8 Accounting standards require assets purchased through finance leases and PFI contracts to be included on the Council's balance sheet. MRP policy used by the Council will ensure that there will be no impact on Council taxpayers from revisions to accounting standards. The amount of MRP to be made will be set to ensure that the finance charge and MRP for leases and on-balance sheet PFI schemes is equal to the rental or service charge payable in the income and expenditure account for the year, which writes down the balance sheet liability of those assets i.e. the annual MRP charge will be an amount equal to the amount that has been taken to the balance sheet to reduce the liability for that asset.
- 1.9 In summary, it is recommended that the Council approves the Minimum Revenue Provision Statement for 2024/2025:
  - a. For all government supported borrowing the Council will continue its policy of repaying borrowing over 50 years using the annuity method with the interest rate used to profile MRP being set at 3.5%;
  - b. For all unsupported borrowing the Council will adopt Option 3 and make MRP repayments using the annuity method with the interest rate used to profile MRP being set at 3.5%. The estimated useful life of an asset will be assessed by the Director of Finance in consultation with appropriate officers. The MRP charge will commence in the financial year following the one in which the capital scheme the borrowing relates to is complete and

the asset has come into service;

- c. For MRP payments in relation to finance leases and PFI contracts, the amount of MRP to be made will be set to ensure that the finance charge and MRP for leases and on-balance sheet PFI schemes is equal to the rental or service charge payable in the income and expenditure account for the year, which writes down the balance sheet liability of those assets;
- d) The Council will vary MRP payments to that indicated by the adoption of Option 3 where it has taken out unsupported borrowing to provide grants, deposits or loans for capital purposes. In these cases, it is proposed that MRP is based on the actual principal repayment schedule relating to the grant, deposit or loan provided. The likely repayment of these loans will be assessed as part of the budget monitoring process and if it is estimated that there is likely to be a default on repayments then alternative arrangements will be made to repay any shortfall through an increase in MRP;
- e) That the Council continue its policy of reducing MRP for 20 years from 2016/2017 by a fixed amount of £2.176m each year until 2036/2037. This reduction is in respect of overprovision of MRP made for the period 1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2016 had the Council followed its current policy for calculating MRP; and
- f) Changes to the Council's MRP policy will be made where the Director of Finance determines that such a revision will reduce future years' debt repayment requirements and provide value to the Council. This action, if used, would be reported to Cabinet accordingly.





**Treasury Management Policy Statement**

In line with CIPFA recommendations, on 3<sup>rd</sup> March 2010 (updated in December 2021) the Council adopted the following Treasury Management Policy Statement, which defines the policies and objectives of its treasury management activities:

- The Council defines its treasury management activities as: “The management of the Council’s borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
- The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

These principles are intended to provide a working document that forms a detailed framework for treasury management activities. The policy fully encompasses CIPFA’s Code of Practice. In addition, the policy fully takes account of the requirements of the Prudential Code for Capital Finance in Local Authorities and the guidance issue by the DLUHC supporting Part 1 of the Local Government Act 2003 in respect of local authority investments.

The Council re-affirms its commitment to the Treasury Management Policy and Strategy Statement in 2024/2025 as it does every year.



## Treasury Management Strategy Statement for 2024/2025

### 1. Introduction

- 1.1 The Local Government Act 2003 and subsequent guidance requires the Council to set out its Treasury Management Strategy for Borrowing and to prepare an Annual Investment Strategy. This sets out the Council's policies for managing both its borrowing and its investments, which gives priority to the security and liquidity of those investments over yield.

The suggested strategy for 2024/2025 is set out below and is based upon the Director of Finance' views on interest rates, supplemented with leading market forecasts and other financial data available and advice provided by the Council's treasury adviser, Link Asset Services.

In December 2021 CIPFA issued a revised Treasury Management Code of Practice and Cross-Sectoral Guidance Notes, and a revised Prudential Code. In February 2018 DLUHC revised their Guidance on Local Government Investments and also their Statutory Guidance on Minimum Revenue Provision. A particular focus of these revised codes is how to deal with local authority investments which are non-treasury type investments e.g. by investing in a property portfolio in order to generate income for the authority at a higher level than can be attained by vanilla treasury investments. This report deals solely with financial investments managed by the Council's Treasury Management function. Non-treasury investments are covered in the Capital Strategy which was approved by Council in November 2023. This ensures the separation of the core treasury function where investments are made under security, liquidity and yield principles, and non-treasury commercial and strategic investments.

## 2. Treasury Management Strategy

### 2.1 Borrowing

#### 2.1.1 Current Treasury Management Position

| The Council's treasury portfolio position at 31 <sup>st</sup> December 2023 comprised: | Principa<br>(£m) | Total<br>(£m) | Average<br>Rate (%) |
|--|------------------|---------------|---------------------|
| <b>Treasury external borrowing</b>   |                  |               |                     |
| Fixed Rate Funding PWLB  | 479.6            |               |                     |
| Market   | 39.5             |               |                     |
| Other  | 10.9             | 530.0         | 2.68                |
| Variable Rate Funding Temporary / Other  |                  | 27.6          | 4.96                |
| <b>Total external borrowing</b>  |                  | <b>557.6</b>  | <b>2.80</b>         |
| <b>Total treasury investments</b>  |                  |               |                     |
| In house – short term  |                  | <b>188.0</b>  | <b>5.05</b>         |
| <b>Net treasury borrowing</b>  |                  | <b>369.6</b>  |                     |

The Council currently has a net deficit of £369.6m which represents the difference between gross debt and total investments and is significantly lower than the Council's capital financing requirement (capital borrowing need).

#### 2.1.2 Treasury Indicators and Limits

Prudential and Treasury Indicators (as set out in Appendix 4) are a requirement of the CIPFA Prudential Code and are relevant for the purposes of setting an integrated treasury management strategy and to ensure that treasury management decisions are taken in accordance with good professional practice. It is a statutory duty under Section 3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit". In England and Wales the Authorised Limit represents the legislative limit specified in the Act.

The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax levels (and council housing rent levels where relevant) is 'acceptable'.

The "Affordable Borrowing Limit" comprises of the capital plans to be considered for inclusion in corporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is set, on a rolling basis, for the forthcoming financial year and two successive financial years and details can be found in Appendix 4 (P5) of this report. The Council is asked to approve these limits and to delegate authority to the Director of Finance, within the total limit for any individual year, to action movement between the separately agreed limits for borrowing and other long-term liabilities where this would be appropriate. Any such changes made will be reported to Cabinet and the Council at their next meetings following the change.

Also, the Council is requested to approve the Operational Boundary Limit (P6) which is included in the Prudential Indicators set out in Appendix 4. This operational boundary represents a key management tool for in year monitoring. Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified and the Council is also asked to delegate authority to the Director of Finance, within the total operational boundary for any individual year, to action movement between the separately agreed figures for borrowing and other long-term liabilities, in a similar fashion to the authorised limit.

The requirement for the Council to indicate it has adopted the CIPFA Code of Practice on Treasury Management was removed in the revised 2017 edition of the code. However, this is still considered to be good practice. The original 2001 Code was adopted on 20<sup>th</sup> November 2002. The Council reaffirms its full adherence to the latest 2017 edition of the Code and will continue to do so annually (as set out in Appendix 6).

### **2.1.3 Prospects for Interest Rates**

At its meeting on 13<sup>th</sup> December 2023 the Bank of England's (BoE) Monetary Policy Committee (MPC) voted for the third meeting in a row to leave interest rates at 5.25%, with Governor Bailey commenting there is still some way to go in the fight to control inflation and that it was much too early to be thinking about rate cuts. 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.

Link Asset Services, the Council's treasury advisors, reviewed their interest rate forecasts in January 2024 to reflect their view that the MPC would be keen to underpin its anti-inflation credentials by keeping the Bank Rate at 5.25% until at least the second quarter of 2024. They believe the MPC won't look to cut rates until both CPI inflation and wage / employment data are unequivocally supportive of such a move and that there is a strong likelihood of the overall economy enduring tepid growth (at best) or a mild recession (at worst) over the coming months.

Link forecast the BoE Base Rate will remain at 5.25% until June 2024, before gradually falling to 3.00% by September 2025. These forecasts, and MPC decisions, will be liable to further amendment as updated economic data becomes available and emerging developments in the financial markets.

The following table shows the average PWLB rates for Quarters 1, 2 and 3 and the figures for Quarter 4 to 5<sup>th</sup> January 2024.

| <b>2023/2024</b> | <b>Qtr 1*<br/>(Apr - Jun)<br/>%</b> | <b>Qtr 2*<br/>(Jul - Sep)<br/>%</b> | <b>Qtr 3*<br/>(Oct - Dec)<br/>%</b> | <b>Qtr 4* (to 5<sup>th</sup><br/>Jan 2024)<br/>%</b> |
|------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|
| SONIA Rate       | 4.37                                | 5.09                                | 5.19                                | 5.19   |
| 1 year           | 5.32*                               | 5.91*                               | 5.54*                               | 5.24*  |
| 5 year           | 4.87*                               | 5.44*                               | 4.95*                               | 4.36*  |
| 10 year          | 4.78*                               | 5.23*                               | 5.05*                               | 4.54*  |
| 25 year          | 5.09*                               | 5.47*                               | 5.48*                               | 5.10*  |
| 50 year          | 4.82*                               | 5.16*                               | 5.24*                               | 4.87*  |

\*rates take account of the 0.2% discount to the PWLB rates available to eligible authorities (including the Council).

The Link Asset Services forecasts in respect of interest rates for loans charged by the PWLB are as follows:

| <b>Date</b> | <b>Bank Rate<br/>%</b> | <b>PWLB Borrowing Rates<br/>(including certainty rate adjustment) %</b> |                |                |
|-------------|------------------------|---|----------------|----------------|
|             |                        | <b>5 year</b>   | <b>25 year</b> | <b>50 year</b> |
| March 2024  | 5.25                   | 4.50  | 5.20           | 5.00           |
| June 2024   | 5.25                   | 4.40  | 5.10           | 4.90           |
| Sept 2024   | 4.75                   | 4.30  | 4.90           | 4.70           |
| Dec 2024    | 4.25                   | 4.20  | 4.80           | 4.60           |
| March 2025  | 3.75                   | 4.10  | 4.60           | 4.40           |
| June 2025   | 3.25                   | 4.00  | 4.40           | 4.20           |
| Sept 2025   | 3.00                   | 3.80  | 4.30           | 4.10           |
| Dec 2025    | 3.00                   | 3.70  | 4.20           | 4.00           |
| March 2026  | 3.00                   | 3.60  | 4.20           | 4.00           |
| June 2026   | 3.00                   | 3.60  | 4.10           | 3.90           |
| Sept 2026   | 3.00                   | 3.50  | 4.10           | 3.90           |
| Dec 2026    | 3.00                   | 3.50  | 4.10           | 3.90           |

The main sensitivities of the forecasts in the UK are felt to be linked to the timing of when the BoE decides to cut the Base Rate. Cut too soon and inflationary pressures could build up further but cut too late and any downturn or recession may be prolonged. The ongoing conflict between Russia and the Ukraine, Gaza and Israel and heightened tensions between China, Taiwan and the United States alongside other geopolitical factors are likely to continue to have a global economic impact. A further concern is that significant issues remain unresolved over future UK / EU trade arrangements following Brexit and complications or lack of co-operation in discussions pose a threat.

#### 2.1.4 Borrowing Strategy

The Council's strategy for 2023/2024 was to adopt a pragmatic approach in identifying the low points in the interest rate cycle at which to borrow and to respond to any changing circumstances to seek to secure benefit for the Council. A benchmark financing rate of 4.5% for long-term borrowing was set considering the views prevalent at the time the Treasury Management policy was set in February 2023.

The basis of the proposed Borrowing Strategy for 2024/2025 is to:

- continuously monitor prevailing interest rates and forecasts;
- secure long-term funds to meet the Council’s future borrowing requirement when market conditions are considered favourable;
- current (January 2024) long-term PWLB rate (50 years) 4.87%. Forecast rates over the financial year 2024/2025 are 4.90% Q1, 4.70% Q2, 4.60% Q3 and 4.40% Q4. Should interest rates fall below these rates borrowing should be considered, with preference given to terms which ensure a balanced profile of debt maturity.

As announced by the Chancellor in November 2020, a prohibition was introduced that denies access to any new borrowing from the PWLB for a local authority that has plans to purchase investment assets “primarily for yield”. When applying for PWLB borrowing authorities must now submit a high-level description of their capital spending and financing plans for the following three years. In addition, the Section 151 Officer (Director of Finance) must confirm that there is no intention to buy investment assets primarily for yield at any point in the next three years. This assessment will be based on the Section 151 Officer’s professional interpretation of guidance issued along with PWLB lending terms.

PWLB interest rates remain the likely cheapest option available to the Council to fund the large borrowing requirement needed to support the capital programme and it will benefit the Council’s revenue budget over the longer term. The Treasury Management team continues to closely monitor interest rates to assess the value of possible further new borrowing in line with Capital Programme requirements. In order to optimise the Council’s position, consideration will also be given to various other funding options, including taking out shorter term borrowing, utilising investment balances, and use of other financial institutions to provide borrowing facilities to fund the Council’s borrowing requirement.

The Council has seven market Lender’s Option / Borrower’s Option (LOBO) loans totalling £39.5 million. The lender has the option to alter the interest rate on these loans at set intervals and the Council can either accept the new rate or repay the loan without penalty. The following table shows the three LOBOs that were subject to a potential rollover in 2023/2024. No changes to loan rates have been received and so these arrangements will continue.

| <b>Roll Over Dates</b>    | <b>Lender</b> | <b>Amount<br/>£m</b> | <b>Rate<br/>%</b> | <b>Roll Over<br/>Periods</b> |
|---------------------------|---------------|----------------------|-------------------|------------------------------|
| 27/07/2023 and 27/01/2024 | Dexia         | 5.0                  | 4.32              | Every 3 years                |
| 21/04/2023 and 21/10/2023 | Barclays      | 5.0                  | 4.50              | Every 6 months               |
| 10/06/2023 and 10/12/2023 | Barclays      | 9.5                  | 4.37              | Every 3 years                |
| <b>Total</b>              |               | <b>19.5</b>          |                   |                              |

The capital expenditure plans set out in Appendix 2 provide details of the service activity of the Council. The treasury management function ensures that the Council’s cash is managed in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This involves both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the

relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

The Council's potential borrowing requirement is as follows:

|               |                              | 2024/25<br>£m | 2025/26<br>£m | 2026/27<br>£m | 2027/28<br>£m |
|---------------|------------------------------|---------------|---------------|---------------|---------------|
| 1.            | Capital Programme Borrowing  | 160.3         | 122.5         | 88.6          | 39.2          |
| 2.            | Replacement borrowing (PWLB) | 0.0           | 0.0           | 0.0           | 0.0           |
| 3.            | Replacement LOBO             | 20.0          | 10.0          | 19.5          | 20.0          |
| <b>TOTAL:</b> |                              | <b>180.3</b>  | <b>132.5</b>  | <b>108.1</b>  | <b>59.2</b>   |

The Council currently has net treasury borrowing of £369.6m which represents the difference between gross debt and total investments. This means that the capital borrowing need (the capital financing requirement) has not been fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. Consideration will be given to continue utilising some investment balances to fund the borrowing requirement in 2024/2025. This policy has served the Council well over the last few years as investment returns were low. As a result, the Council is currently maintaining an under-borrowed position. This position will be carefully reviewed to avoid incurring higher borrowing costs over the long term whilst ensuring that financing is available to support capital expenditure plans.

There are a number of risks and benefits associated with having both a large amount of debt whilst at the same time having a considerable number of investments.

Benefits of having a high level of investments are:

- liquidity risk – having a large number of investments means that the Council is at less of a risk should money markets become restricted or borrowing less generally available, this mitigates against liquidity risk;
- interest is received on investments which helps support the Council's overall budget position; and
- of more importance, the Council has greater freedom in the timing of its borrowing as it can afford to wait until the timing is right rather than be subject to the need to borrow at a time when interest rates are not advantageous.

Risks associated with holding a high level of investments are:

- the counterparty risk – institutions cannot repay the Council investment placed with them; and
- interest rate risk – the rate of interest earned on the investments will be less than that paid on debt, thus causing a loss to the Council.

The Council has mitigated these risks by having a risk averse Treasury Management Investment Strategy and by detailed monitoring of counterparties through its borrowing and investment strategies and treasury management working practices and procedures.

A Municipal Bonds Agency, set up by the Local Government Association, has begun to offer bonds to local authorities. The rates offered by the Agency will be assessed and use made of this, and any other new sources of funding that may become available, where it is considered advantageous.



The need to adapt to changing circumstances and revisions to profiling of capital expenditure is required when considering borrowing opportunities, and flexibility needs to be retained to adapt to any changes that may occur.

The Council, taking advice from the Council's treasury advisers will continue to monitor rates closely, and whilst implementing the borrowing strategy, will adopt a pragmatic approach in identifying the low points in the interest rate cycle at which to borrow, wherever possible.

Taking into account potential market volatility and the advice of the Council's treasury adviser, alongside potential movement in the Bank of England base rate, a benchmark financing rate of 5.00% for any long-term borrowing undertaken during 2024/2025 is considered to be appropriate.

### **2.1.5 Policy on borrowing in advance of need**

The Council will not borrow more than or in advance of its needs purely to profit from treasury investments of the extra sums borrowed. Any decision to borrow in advance will be assessed within forward approved Capital Financing Requirement estimates, with regard to current policies, and will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance of activity will be subject to appraisal and any borrowing undertaken will be reported to Cabinet as part of the agreed reporting arrangements.

### **2.1.6 Debt Rescheduling**

The reasons for any rescheduling of debt will include:

- the generation of cash savings at minimum risk;
- in order to help fulfil the Treasury Management Strategy; and
- in order to enhance the balance of the long-term portfolio (by amending the maturity profile and/or the balance of volatility).

In previous years, debt rescheduling has achieved significant savings in interest charges and discounts and these interest savings have been secured for many years to come. However, the very low underlying rate of the Council's long-term borrowing together with the current spread between the rates applied to new PWLB borrowing and repayment of PWLB debt means that PWLB debt restructuring is much less attractive. Consideration will also be given to other options where interest savings may be achievable by using LOBO (Lenders Option Borrowers Option) loans, and / or other market loans, in rescheduling exercises rather than solely using PWLB borrowing as the source of replacement financing but this would only be the case where this would represent best value to the Council.

Following consultation and advice from the Council's treasury advisers the Council has taken the decision to borrow over longer term periods and much of the Council borrowing is for periods over 40 years and on a fixed interest rate basis. This borrowing has been taken out where it offers good value and to allow for the potential to benefit from refinancing debt in the future. A further

benefit is that it reduces risk by giving certainty of borrowing rates over the long term.

The Council keeps a watching brief on market conditions in order to secure further debt rescheduling when, and if, appropriate opportunities arise. The timing of all borrowing and investment decisions inevitably includes an element of risk, as those decisions are based upon expectations of future interest rates. The policy to date has been very firmly one of risk spread and this prudent approach will be continued.

Any rescheduling undertaken will be reported to Cabinet, as part of the agreed treasury management reporting arrangements.

## **2.2 Annual Investment Policy and Strategy**

### **2.2.1 Investment Policy and Management of Risk**

When considering its investment policy and objectives, the Council has regard to the DLUHC Guidance on Local Government Investments (“the Guidance”), CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (“the CIPFA TM Code”) consideration has also been given to the refreshed Code published in December 2021.

The DLUHC and CIPFA have extended the meaning of investments to include both financial and non-financial investments. This report deals solely with financial investments (as managed by the Council’s Treasury Management function). Non-financial investments, essentially the purchase of income yielding assets, are covered within the Capital Strategy approved by Council in November 2023.

The Council’s investment objectives are:

- (a) the security of capital, and
- (b) the liquidity of its investments.

The Council also aims to achieve the optimum return on its investments, but this is commensurate with proper levels of security and liquidity.

In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate the Council will also consider the value available in placing investments for longer periods with high credit rated financial institutions, as well as wider range fund options.

The guidance from the DLUHC and CIPFA places a high priority on the management of risk. The Council has adopted a prudent approach to managing risk and in order to minimise the risk to investments, the Council will:

- apply minimum acceptable credit criteria (detailed in Annex B) in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of risk. The risk appetite of the Council is regarded as low in order to give priority to security of its investments;
- monitor credit ratings daily. The Council has access to all three credit ratings agencies and is alerted to changes through its use of Link Asset Services’ counterparty service. If a counterparty’s rating is downgraded with the result that it no longer meets the Council’s minimum criteria, the Council will cease to place funds with that counterparty. If a counterparty’s rating is downgraded with the result that their rating is still

sufficient for the counterparty to remain on the Approved Lending List, then the counterparty's authorised investment limit will be reviewed accordingly. A downgraded credit rating may result in the lowering of the counterparty's investment limit and vice versa;

- not use ratings as the sole determinant of the quality of an institution. The Council will continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to monitor market pricing such as "credit default swaps" and overlay that information on top of the credit ratings provided;
- use other information source including the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties;
- define the type of investment instrument that the treasury management team are authorised to use. The Council is allowed to invest in two types of investment, namely Specified Investments and Non-Specified Investments:
  - Specified Investments are sterling investments that are for a period of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are placed with high rated counterparties and are considered low risk assets where the possibility of loss of principal or investment income is small. Within these bodies and in accordance with the Code, the Council has set additional criteria to limit the time and amount of monies that will be invested with these bodies;
  - Non-Specified Investments are any investments which are not classified as Specified Investments. As the Council only uses investment grade high credit rated counterparties for treasury management investments this means in effect that any investments placed with those counterparties for a period over one year will be classed as Non-Specified Investments. A limit on the amount of investments which are can be invested for longer than 365 days is set in the Council's creditworthiness policy.
- the type of investments to be used by the in-house treasury management team will be limited to Certificates of Deposit, variable term deposits, fixed term deposits, interest bearing accounts, Money Market Funds, Government debt instruments, floating rate notes, corporate bonds, municipal / local authority bonds, bond funds, gilt funds, and gilt-edged securities and will follow the criteria as set out in Annex B;
- assess the risk of default and if any of the Council's investments appear at risk of loss due to default, (i.e. a credit-related loss, and not one resulting from a fall in price due to movements in interest rates), then the Council will make revenue provision of an appropriate amount in accordance with proper accounting practice or any prevailing government regulations, if applicable. This Council mitigates this risk with its prudent investment policy;

- set an approved lending list which shows lending limits and the maximum duration of any investment for each counterparty (detailed in Annex C). These are set using the agreed lending list criteria (detailed in Annex B);
- only place investments with counterparties from countries with a specified minimum sovereign rating as set out in the agreed lending list criteria (detailed in Annex B). Should the UK Government AA- sovereign rating be withdrawn the Council's Investment Strategy and Lending List criteria will be reviewed and any changes necessary will be reported to Cabinet; and
- engage external consultants to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

In accordance with accounting standard IFRS9, the Council considers the implications of investment instruments which could result in an adverse movement in the value of the amount invested and lead to resultant charges at the end of the year to the General Fund. In November 2018 DLUHC concluded a consultation for a temporary override to allow English Local Authorities time to adjust their portfolio of all pooled investments by announcing a statutory override for five years ending 31<sup>st</sup> March 2023. More recently, a further extension to the over-ride to 31<sup>st</sup> March 2025 has been agreed by Government.

The prudential code states that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed.

### 2.2.2 Creditworthiness policy

The creditworthiness policy adopted by the Council takes into account the credit ratings issued by all three credit rating agencies (Fitch, Moody's and Standard & Poor's). Credit rating information is supplied by Link Asset Services, our treasury advisors, on all active counterparties that comply with the Council's counterparty criteria.

Significant levels of downgrades to Short- and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to future outlooks for counterparties. However, as economies have recovered, there have been some instances of previous lowering of future outlooks being reversed.

Although bank Credit Default Swap (CDS) prices, (these are market indicators of credit risk), spiked upwards at the end of March / early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances.

While the Council understands changes that have taken place to reduce ratings, it will specify a minimum sovereign rating of AA-. This is due to the fact that the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution. It is important to stress the ongoing regulatory

changes made in the UK and the rest of Europe are designed to make the financial system sounder. Banks are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support. In many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now.

In keeping with the agencies' new methodologies, the rating element of the Council's credit assessment process now focuses solely on the Short and Long Term ratings of an institution.

One of the recommendations of the Code is that local authorities should set limits for the amounts of investments that can be placed with institutions by country, sector and group. These limits are applied in the Council's Counterparty criteria set out in Annex B.

Set out in Annex C is the detailed criteria that will be used, subject to approval, in determining the level of investments that can be invested with each counterparty or institution. Where a counterparty is rated differently by any of the 3 rating agencies, the lowest rating will be used to determine the level of investment. If the Council's own banker, National Westminster Bank plc, should fail to meet the minimum credit criteria to allow investments from the Council then balances will be minimised as far as possible.

The Director of Finance will monitor long-term investment rates and identify any investment opportunities if market conditions change. It is proposed that delegated authority continues for the Director of Finance, in consultation with the Cabinet Secretary, to vary the Lending List Criteria and Lending List itself should circumstances dictate, on the basis that changes be reported to Cabinet retrospectively, in accordance with normal treasury management reporting procedures.

### **2.2.3 Outlook and Proposed Treasury Investment Strategy**

Based on its cash flow forecasts, the Council anticipates its fund balances in 2024/2025 are likely to range between £50 million and £250 million. This represents a cautious approach and provides for funding being received in excess of the level budgeted for, and also for unexpected and unplanned levels of capital underspending in the year or reprofiling of spend into future years. In 2023/2024 some investment balances have been used to fund borrowing requirements. It is likely that this will continue into 2024/2025 with investment balances being used to fund some borrowing or used for debt rescheduling. Such funding is wholly dependent upon market conditions and will be assessed and reported to Cabinet if and when the appropriate conditions arise.

Activities likely to have a significant effect on investment balances are:

- Capital expenditure during the financial year (dependent upon timing), will affect cash flow and short-term investment balances;
- Any reprofiling of capital expenditure from, and to, other financial years will also affect cash flow (no reprofiling has been taken into account in current estimates);
- Any unexpected capital receipts or other income;

- Timing of new long-term borrowing to fund capital expenditure; and
- Possible funding of long-term borrowing from investment balances (dependent upon appropriate market conditions).

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

The minimum amount of overall investments that the Council will hold in short-term investments (less than one year) is £50 million. As the Council has decided to restrict most of its investments to term deposits, it will maintain liquidity by having a minimum of 30% of the total value of short-term investments maturing within 6 months.

A maximum limit of £75 million is to be set for in-house Non-Specified Investments over 365 days up to a maximum period of 2 years (excluding non-treasury management investments and all other investments defined as capital expenditure). This amount has been calculated by reference to the Council's cash flows, including the potential use of earmarked reserves.

The Council is not committed to any investments which are due to commence in 2024/2025 (i.e. it has not agreed any forward deals).

The Council, in conjunction with the Council's treasury adviser Link Asset Services and taking into account the minimum amount to be maintained in short-term investments, will continue to monitor investment rates closely and to identify any appropriate investment opportunities that may arise.

During 2023/2024 the Council did not employ any external fund managers; all funds being managed by the in-house team. The performance of the fund by the in-house team is shown below compared with the benchmark SONIA (Sterling Overnight Index Average) rate and with the relevant benchmarks and performance from the previous year:

|               | <b>2022/23<br/>Benchmark</b> | <b>2022/23<br/>Return</b> | <b>To date<br/>2023/24<br/>Benchmark</b> | <b>To date<br/>2023/24<br/>Return</b> |
|---------------|------------------------------|---------------------------|--|---------------------------------------|
| <b>Return</b> | <b>%</b>                     | <b>%</b>                  | <b>%</b>                                 | <b>%</b>                              |
| Council       | 2.24                         | 2.16                      | 4.88                                     | 5.05                                  |

During 2024/2025 the Council will continue to review the optimum arrangements for the investment of its funds whilst fully observing the investment strategy in place. The Council uses the Sterling Overnight Index Average (SONIA) rate as a benchmark for its investments. Performance is above the benchmark rate, whilst still adhering to the prudent policy agreed by the Council, in what remains a very turbulent market. The Council's treasury management advisor reports the rate of return achieved compares favourably with their other local authority clients.

## **2.2.4 Policy on the use of external service providers**

At present the Council does not employ any external fund managers.

Should the Council appoint any external fund managers in the future, they will have to agree to strict investment limits and investment criteria. These will be reported to Cabinet for agreement prior to any external fund manager being appointed.

The Council uses Link Asset Services as its external treasury management advisors. The Council recognises that responsibility for treasury management decisions remain with the Council at all times and will ensure that undue reliance is not placed upon our external advisors.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subject to regular review.

## **2.2.5 Non - Treasury Investments**

The Council may make other types of investments (usually defined by regulation as capital expenditure) that are not part of treasury management activity. Treasury management investments activity covers those investments which arise from the Council's cash flows and debt management activity, and ultimately represent balances which need to be invested until the cash is required for use in the course of business.

Investments that may be made for policy reasons outside of normal treasury management activities may include service investments held clearly and explicitly in the course of the provision, and for the purposes, of operational services, including regeneration. This may include loans to local enterprises as part of a wider strategy for local economic growth.

The Director of Finance will maintain a schedule setting out a summary of existing material investments, subsidiaries, joint ventures and liabilities including financial guarantees and the Council's risk exposure.

Investment objectives in relation to these types of investments will still be primarily security and liquidity but with the understanding that the liquidity for these types of investments may be less than those for treasury management activities and that these may be subject to higher levels of risk. When non-treasury management investments are considered, due diligence will take place with all proposed investments being subjected to a detailed financial appraisal that will include financial sustainability of the investment and the identification of risk to both capital and returns. An assessment against loss will be carried out periodically and if the value of non-financial investments is no longer sufficient to provide security against loss mitigating actions will be taken. Decisions relating to non-treasury management investments will follow appropriate governance arrangements.

The Council's approach to non-treasury investments is covered within the Capital Strategy approved by Council in November 2023 and complies with the guidance that Local Authorities will not use PWLB borrowing primarily for yield.

### 3. **Scheme of delegation**

3.1 The Treasury Management Strategy Statement has been prepared in accordance with the revised Code. Accordingly, the Council's Treasury Management Strategy (TMS) is approved annually by the full Council. In addition, quarterly reports are made to Cabinet and the Audit and Governance Committee and monitoring reports are reviewed by members in both executive and scrutiny functions respectively. The aim of these reporting arrangements is to ensure that those with ultimate responsibility for the treasury management function appreciate fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

The Council has the following reporting arrangements in place in accordance with the requirements of the Code: -

| <b>Area of Responsibility</b>  | <b>Council/ Committee/ Officer</b>       | <b>Frequency</b>   |
|--|--|--|
| Treasury Management Policy Statement   | Full Council                             | Reaffirmed annually and updated as appropriate               |
| Treasury Management Strategy / Annual Investment Strategy                                      | Full Council                             | Annually before the start of the year                        |
| Treasury Management Strategy / Annual Investment Strategy –updates or revisions at other times | Full Council                             | As appropriate   |
| Treasury Management Monitoring Reports   | Director of Finance                      | Monthly  |
| Treasury Management Practices  | Director of Finance                      | Annually   |
| Scrutiny of Treasury Management Strategy   | Cabinet / Audit and Governance Committee | Annually before Full Council                                 |
| Scrutiny of Treasury Management Performance  | Cabinet / Audit and Governance Committee | Quarterly  |
| Annual Treasury Management Outturn Report  | Cabinet / Audit and Governance Committee | Annually by 30 September after the end of the financial year |

### 4. **The Treasury Management Role of the Section 151 Officer**

4.1 The Director of Finance is the Council's Section 151 Officer and has specific delegated responsibility in the Council's Constitution to manage the borrowing, financing, and investment requirements of the Council in accordance with the Treasury Management Policy agreed by the Council. This includes:



- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers;
- preparing a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe;
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the Council;
- ensuring that the Council has the appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the Council does not undertake a level of investing which exposes the Council to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities;
- providing to members a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees;
- ensuring that members are adequately informed and understand the risk exposures taken on by the Council; and
- ensuring that the Council has adequate expertise, either in house or externally provided, to carry out the above.



**1. Interest Rate Forecasts**

- 1.1 The data set out overleaf shows a variety of forecasts published by Link Asset Services and Capital Economics (an independent forecasting consultancy). PWLB forecasts shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012. There are no changes to these forecasts as at 16<sup>h</sup> January 2024.
- 1.2 The forecast within this strategy statement has been drawn from these diverse sources and officers' own views.

# ECONOMIC FORECASTS

## LINK GROUP – JANUARY 2024

|                | End Q1<br>2024 | End Q2<br>2024 | End Q3<br>2024 | End Q4<br>2024 | End Q1<br>2025 | End Q2<br>2025 | End Q3<br>2025 | End Q4<br>2025 | End Q1<br>2026 | End Q2<br>2026 | End Q3<br>2026 | End Q4<br>2026 | End Q4<br>2026 |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Bank Rate      | 5.25%          | 5.25%          | 4.75%          | 4.25%          | 3.75%          | 3.25%          | 3.00%          | 3.00%          | 3.00%          | 3.00%          | 3.00%          | 3.00%          | 3.00%          |
| 5yr PWLB Rate  | 4.50%          | 4.40%          | 4.30%          | 4.20%          | 4.10%          | 4.00%          | 3.80%          | 3.70%          | 3.60%          | 3.60%          | 3.50%          | 3.50%          | 3.50%          |
| 10yr PWLB Rate | 4.70%          | 4.50%          | 4.40%          | 4.30%          | 4.20%          | 4.10%          | 4.00%          | 3.90%          | 3.80%          | 3.70%          | 3.70%          | 3.70%          | 3.70%          |
| 25yr PWLB Rate | 5.20%          | 5.10%          | 4.90%          | 4.80%          | 4.60%          | 4.40%          | 4.30%          | 4.20%          | 4.20%          | 4.10%          | 4.10%          | 4.10%          | 4.10%          |
| 50yr PWLB Rate | 5.00%          | 4.90%          | 4.70%          | 4.60%          | 4.40%          | 4.20%          | 4.10%          | 4.00%          | 4.00%          | 3.90%          | 3.90%          | 3.90%          | 3.90%          |

## CAPITAL ECONOMICS – JANUARY 2024

|                | End Q1<br>2024 | End Q2<br>2024 | End Q3<br>2024 | End Q4<br>2024 | End Q1<br>2025 | End Q2<br>2025 | End Q3<br>2025 | End Q4<br>2025 |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Bank Rate      | 5.25%          | 5.00%          | 4.50%          | 4.00%          | 3.50%          | 3.00%          | 3.00%          | 3.00%          |
| 5yr PWLB Rate  | 4.50%          | 4.30%          | 4.20%          | 4.00%          | 3.90%          | 3.80%          | 3.80%          | 3.70%          |
| 10yr PWLB Rate | 4.50%          | 4.40%          | 4.20%          | 4.10%          | 4.10%          | 4.10%          | 4.10%          | 4.10%          |
| 25yr PWLB Rate | 5.10%          | 4.80%          | 4.60%          | 4.30%          | 4.40%          | 4.40%          | 4.50%          | 4.60%          |
| 50yr PWLB Rate | 4.70%          | 4.60%          | 4.50%          | 4.30%          | 4.30%          | 4.30%          | 4.40%          | 4.40%          |

Source: Link Asset Services – Citywatch December 2023

## 2. Survey of Economic Forecasts

### 2.1 HM Treasury November 2023

The current 2023 base rate forecasts are based on samples of both City and non-City forecasters included in the HM Treasury November 2023 report.

| BANK RATE FORECASTS | Annual Average Bank Rate |           |           |           |           |
|---------------------|--------------------------|-----------|-----------|-----------|-----------|
|                     | Ave. 2023                | Ave. 2024 | Ave. 2025 | Ave. 2026 | Ave. 2027 |
| <b>Average</b>      | 4.76%                    | 5.02%     | 3.86%     | 3.13%     | 2.89%     |
| <b>Highest</b>      | 4.90%                    | 5.40%     | 4.70%     | 4.20%     | 4.10%     |
| <b>Lowest</b>       | 4.30%                    | 3.80%     | 2.80%     | 2.00%     | 2.00%     |

Source: HM Treasury: Forecasts for the UK Economy Nov. 2023 (No.436, Table M4)



## Lending List Criteria

### 1. Counterparty Criteria

- 1.1 The Council takes into account not only the individual institution's credit ratings issued by all three credit rating agencies (Fitch, Moody's and Standard & Poor's), but also all available market data and intelligence, the level of government support and advice from its Treasury Management advisers.
- 1.2 Set out below are the criteria to be used in determining the level of funds that can be invested with each institution. Where an institution is rated differently by the rating agencies, the lowest rating will determine the level of investment.

| <b>Fitch Long-Term Rating</b>  | <b>Fitch Short-Term Rating</b> | <b>Moody's Long-Term Rating</b> | <b>Moody's Short-Term Rating</b> | <b>S&amp;P's Long-Term Rating</b> | <b>S&amp;P's Short-Term Rating</b> | <b>Maximum Deposit<br/>£m</b>  | <b>Maximum Duration</b> |
|--|--------------------------------|---------------------------------|----------------------------------|-----------------------------------|------------------------------------|--|-------------------------|
| AAA  | F1+                            | Aaa                             | P-1                              | AAA                               | A-1+                               | 120  | 2 Years                 |
| AA+  | F1+                            | Aa1                             | P-1                              | AA+                               | A-1+                               | 100  | 2 Years                 |
| AA   | F1+                            | Aa2                             | P-1                              | AA                                | A-1+                               | 80   | 2 Years                 |
| AA-  | F1+                            | Aa3                             | P-1                              | AA-                               | A-1+                               | 75   | 2 Years                 |
| A+   | F1+                            | A1                              | P-1                              | A+                                | A-1                                | 70   | 365 days                |
| A+   | F1                             | A1                              | P-1                              | A+                                | A-1                                | 70   | 365 days                |
| A  | F1                             | A2                              | P-1                              | A                                 | A-1                                | 65   | 365 days                |
| A-   | F1                             | A3                              | P-1                              | A-                                | A-1                                | 50   | 365 days                |
| A-   | F2                             | A3                              | P-2                              | A-                                | A-2                                | 50   | 365 days                |
| <b>Local Authorities</b> (limit for each local authority)  |                                |                                 |                                  |                                   |                                    | 30   | 2 years                 |
| <b>UK Government</b> (including debt management office, gilts and treasury bills)  |                                |                                 |                                  |                                   |                                    | 300  | 2 years                 |
| <b>Money Market Funds (CNAV, LVNAV and VNAV)</b><br>Maximum amount to be invested in Money Market Funds is £250m with a maximum of £50m in any one fund. |                                |                                 |                                  |                                   |                                    | 250  | Liquid Deposits         |
| <b>Local Authority controlled companies</b>  |                                |                                 |                                  |                                   |                                    | 40   | 20 years                |
| <b>Strategic Partners</b>  |                                |                                 |                                  |                                   |                                    | Maximum deposit and duration of investments with strategic partners will be based on detailed business case and will be approved by Members prior to any investment taking place |                         |

CNAV – Constant Net Asset Value, LVNAV – Low Volatility Net Asset Value, VNAV – Variable Net Asset Value

- 1.3 Where the UK Government holds a shareholding in an institution the UK Government's credit rating of AA- will be applied to that institution to determine the amount the Council can place with that institution for a maximum period of 2 years.

1.4 The Code of Practice for Treasury Management in the Public Services recommends that consideration should also be given to country, sector, and group limits in addition to the individual limits set out above. These limits are as follows:

## 2. Country Limit

2.1 It is proposed that only non-UK countries with a minimum sovereign credit rating of AA+ by all three rating agencies will be considered for inclusion on the Approved Lending List.

2.2 It is also proposed to set a total limit of £50m which can be invested in other countries provided they meet the above criteria. A separate limit (excluding money market funds) of £300m will be applied to the United Kingdom and is based on the fact that the government has done and is willing to take action to protect the UK banking system.

| Country | Limit<br>£m |
|---------|-------------|
| UK      | 300         |
| Non-UK  | 50          |

## 3. Sector Limit

3.1 The Code recommends that a limit be set for each sector in which the Council can place investments. These limits are set out below:

| Sector                | Limit<br>£m |
|-----------------------|-------------|
| Central Government    | 300         |
| Local Government      | 300         |
| UK Banks              | 300         |
| Money Market Funds    | 250         |
| UK Building Societies | 100         |
| Foreign Banks         | 50          |

## 4. Group Limit

4.1 Where institutions are part of a group of companies e.g. Lloyds Banking Group, Santander and RBS, the total limit of investments that can be placed with that group of companies will be determined by the highest credit rating of a counterparty within that group, unless the government rating has been applied. This will apply provided that:

- the UK continues to have a sovereign credit rating of AA-; and
- that market intelligence and professional advice is taken into account.

4.2 Proposed group limits are set out in Annex C.



## Approved Lending List

|   | Fitch  |        | Moody's |        | Standard & Poor's |        | Limit<br>£m          | Max<br>Deposit<br>Period |
|---|--------|--------|---------|--------|-------------------|--------|----------------------|--------------------------|
|   | L Term | S Term | L Term  | S Term | L Term            | S Term |                      |                          |
| <b>UK</b>   | AA-    |        | Aa3     |        | AA                |        | 300                  |                          |
| <b>Lloyds Banking Group</b>                         |        |        |         |        |                   |        | Group<br>Limit<br>70 |                          |
| Lloyds Bank Plc (RFB)                               | A+     | F1     | A1      | P-1    | A+                | A-1    | 70                   | 365 days                 |
| Lloyds Bank Corporate Markets plc (NRFB)            | A+     | F1     | A1      | P-1    | A                 | A-1    | 65                   | 365 days                 |
| Bank of Scotland Plc (RFB)                          | A+     | F1     | A1      | P-1    | A+                | A-1    | 70                   | 365 days                 |
|   |        |        |         |        |                   |        |                      |                          |
| <b>Royal Bank of Scotland Group</b><br>(See Note 1) |        |        |         |        |                   |        | Group<br>Limit<br>75 |                          |
| The Royal Bank of Scotland Plc (RFB)                | A+     | F1     | A1      | P-1    | A+                | A-1    | 75                   | 2 years                  |
| National Westminster Bank Plc (RFB)                 | A+     | F1     | A1      | P-1    | A+                | A-1    | 75                   | 2 years                  |
| NatWest Markets plc (NRFB)                          | A+     | F1     | A1      | P-1    | A                 | A-1    | 75                   | 2 years                  |
|   |        |        |         |        |                   |        |                      |                          |
| Santander UK plc                                    | A+     | F1     | A1      | P-1    | A                 | A-1    | 65                   | 365 days                 |
| Barclays Bank plc (NRFB)                            | A+     | F1     | A1      | P-1    | A+                | A-1    | 70                   | 365 days                 |
| Barclays Bank plc (RFB)                             | A+     | F1     | A1      | P-1    | A+                | A-1    | 70                   | 365 days                 |
| Clydesdale Bank *                                   | A-     | F2     | A3      | P-2    | A-                | A-2    | 50                   | 365 days                 |
| Co-Operative Bank Plc **                            | BB     | B      | Ba1     | NP     | -                 | -      | 0                    |                          |
| Goldman Sachs International Bank                    | A+     | F1     | A1      | P-1    | A+                | A-1    | 70                   | 365 days                 |
| HSBC Bank plc (NRFB)                                | AA-    | F1+    | A1      | P-1    | A+                | A-1    | 70                   | 365 days                 |
| HSBC UK Bank plc (RFB)                              | AA-    | F1+    | A1      | P-1    | A+                | A-1    | 70                   | 365 days                 |
| Nationwide BS                                       | A      | F1     | A1      | P-1    | A+                | A-1    | 65                   | 365 days                 |

|   | Fitch  |        | Moody's |        | Standard & Poor's |        | Limit £m | Max Deposit Period |
|---|--------|--------|---------|--------|-------------------|--------|----------|--------------------|
|   | L Term | S Term | L Term  | S Term | L Term            | S Term |          |                    |
| Standard Chartered Bank                           | A+     | F1     | A1      | P-1    | A+                | A-1    | 70       | 365 days           |
| Close Brothers Ltd                                | A-     | F2     | Aa3     | P-1    | -                 | -      | 50       | 365 days           |
| SMBC Bank International Ltd                       | A-     | F1     | A1      | P-1    | A                 | A-1    | 50       | 365 days           |
| Top Building Societies (by asset value)           |        |        |         |        |                   |        |          |                    |
| Nationwide BS (see above)                         |        |        |         |        |                   |        |          |                    |
| Coventry BS                                       | A-     | F1     | A2      | P-1    |                   |        | 50       | 365 days           |
| Leeds BS  | A-     | F1     | A3      | P-2    | -                 | -      | 50       | 365 days           |
| Principality BS **                                | BBB+   | F2     | Baa1    | P-2    | -                 | -      | 0        |                    |
| Skipton BS  | A-     | F1     | A2      | P-1    | -                 | -      | 50       | 365 days           |
| West Bromwich BS **                               |        |        | Ba3     | NP     | -                 | -      | 0        |                    |
| Yorkshire BS                                      | A-     | F1     | A3      | P-2    | -                 | -      | 50       | 365 days           |
| <b>Money Market Funds</b>                         |        |        |         |        |                   |        | 250      | Liquid             |
| Prime Rate Stirling Liquidity                     | AAA    |        | AAA     |        | AAA               |        | 50       | Liquid             |
| Insight Liquidity Fund                            | AAA    |        | -       |        | AAA               |        | 50       | Liquid             |
| Aberdeen Liquidity Fund (Lux)                     | AAA    |        |         |        | AAA               |        | 50       | Liquid             |
| Deutsche Managed Sterling Fund                    |        |        | Aaa     |        | AAA               |        | 50       | Liquid             |
| Foreign Banks have a combined total limit of £50m |        |        |         |        |                   |        |          |                    |
| <b>Australia</b>                                  | AAA    |        | Aaa     |        | AAA               |        | 50       |                    |
| Australia and New Zealand Banking Group Ltd       | A+     | F1     | Aa3     | P-1    | AA-               | A-1+   | 50       | 365 days           |
| Commonwealth Bank of Australia                    | A+     | F1     | Aa3     | P-1    | AA-               | A-1+   | 50       | 365 days           |
| National Australia Bank                           | A+     | F1     | Aa3     | P-1    | AA-               | A-1+   | 50       | 365 days           |
| Westpac Banking Corporation                       | A+     | F1     | Aa3     | P-1    | AA-               | A-1+   | 50       | 365 days           |
| <b>Canada</b>                                     | AA+    |        | Aaa     |        | AAA               |        | 50       |                    |
| Bank of Nova Scotia                               | AA-    | F1+    | Aa2     | P-1    | A+                | A-1    | 50       | 365 days           |
| Royal Bank of Canada                              | AA-    | F1+    | Aa1     | P-1    | AA-               | A-1+   | 50       | 2 years            |
| Toronto Dominion Bank                             | AA-    | F1+    | Aa1     | P-1    | AA-               | A-1+   | 50       | 2 years            |
| <b>Denmark</b>                                    | AAA    |        | Aaa     |        | AAA               |        | 50       |                    |

|  | Fitch  |        | Moody's |        | Standard & Poor's |        | Limit £m | Max Deposit Period |
|--|--------|--------|---------|--------|-------------------|--------|----------|--------------------|
|  | L Term | S Term | L Term  | S Term | L Term            | S Term |          |                    |
| Danske A/S   | A      | F1     | A2      | P-1    | A+                | A-1    | 50       | 365 days           |
| <b>Finland</b>                                       | AA+    |        | Aa1     |        | AA+               |        | 50       |                    |
| OP Corporate Bank plc                                | WD     | WD     | Aa3     | P-1    | AA-               | A-1+   | 50       | 2 years            |
| <b>Germany</b>                                       | AAA    |        | Aaa     |        | AAA               |        | 50       |                    |
| DZ Bank AG<br>(Deutsche Zentral-Genossenschaftsbank) | AA-    | F1+    | Aa2     | P-1    | A+                | A-1    | 50       | 365 days           |
| Landwirtschaftliche Rentenbank                       | AAA    | F1+    | Aaa     | P-1    | AAA               | A-1+   | 50       | 2 years            |
| NRW Bank   | AAA    | F1+    | Aa1     | P-1    | AA                | A-1+   | 50       | 2 years            |
| <b>Netherlands</b>                                   | AAA    |        | Aaa     |        | AAA               |        | 50       |                    |
| Bank Nederlandse Gemeenten                           | AAA    | F1+    | Aaa     | P-1    | AAA               | A-1+   | 50       | 2 years            |
| Cooperatieve Rabobank U.A.                           | A+     | F1     | Aa2     | P-1    | A+                | A-1    | 50       | 365 days           |
| Nederlandse Waterschapsbank NV                       |        |        | Aaa     | P-1    | AAA               | A-1+   | 50       | 2 years            |
| <b>Singapore</b>                                     | AAA    |        | Aaa     |        | AAA               |        | 50       |                    |
| DBS Bank Ltd   | AA-    | F1+    | Aa1     | P-1    | AA-               | A-1+   | 50       | 2 years            |
| Oversea Chinese Banking Corporation Ltd              | AA-    | F1+    | Aa1     | P-1    | AA-               | A-1+   | 50       | 2 years            |
| United Overseas Bank Ltd                             | AA-    | F1+    | Aa1     | P-1    | AA-               | A-1+   | 50       | 2 years            |
| <b>Sweden</b>  | AAA    |        | Aaa     |        | AAA               |        | 50       |                    |
| Svenska Handelsbanken AB                             | AA     | F1+    | Aa2     | P-1    | AA-               | A-1+   | 50       | 2 years            |
| <b>Switzerland</b>                                   | AAA    |        | Aaa     |        | AAA               |        | 50       |                    |
| UBS AG   | A+     | F1     | Aa2     | P-1    | A+                | A-1    | 50       | 365 days           |
| <b>USA</b>   | AA+    |        | Aaa     |        | AA+               |        | 50       |                    |
| Bank of New York Mellon                              | AA     | F1+    | Aa1     | P-1    | AA-               | A-1+   | 50       | 2 years            |
| JP Morgan Chase Bank NA                              | AA     | F1+    | Aa1     | P-1    | A+                | A-1    | 50       | 365 days           |
| Wells Fargo Bank NA                                  | AA-    | F1+    | Aa1     | P-1    | A+                | A-1    | 50       | 365 days           |

RFB – Ringfenced Bank, NRFB – Non-Ringfenced Bank

## Notes

### Note 1 **Nationalised / Part Nationalised**

The counterparties in this section will have the UK Government's AA- rating applied to them thus giving them a credit limit of £75m.

\* The Clydesdale Bank (under the UK section) is owned by National Australia Bank

\*\* These will be revisited and used only if they meet the minimum criteria (ratings of A- and above)

Any bank which is incorporated in the United Kingdom and controlled by the Prudential Regulation Authority (PRA) is classed as a UK bank for the purposes of the Approved Lending List.

**REVENUE BUDGET AND PROPOSED COUNCIL TAX FOR 2024/2025 AND MEDIUM-TERM FINANCIAL PLAN 2024/2025 TO 2027/2028**

**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 2024/2025 including the proposed Council Tax;
- the projected reserves position as at 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2025 and advise on their sufficiency;
- a risk analysis of the Revenue Budget 2024/2025;
- a summary of the emerging medium term financial position facing the Council from 2024/2025 to 2027/2028 and associated Council Efficiency Strategy;
- any views received from residents, the local Business Sector, Trade Unions and Scrutiny Coordinating Committee; and
- the updated City Plan 2024-2035 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 2024/2025 set out at Appendix J;
- recommend to Council the Medium-Term Financial Plan 2024/2025 to 2027/2028 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 2024/2025 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 2024-2035 including the indicative timeline.

**3. Introduction**

3.1 In January 2024 Cabinet received an update on the budget position following the Provisional Local Government Finance Settlement 2024/2025. At that stage there were a number of uncertainties still to be resolved, primarily:

- the outcome of the final Local Government Finance Settlement for 2024/2025 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 2024/2025 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 2024/2025 this report covers the following areas:

- Final funding position at January 2024 (section 4);
- Spending Pressures and Commitments (section 5);
- Budget Reduction Proposals (section 6);
- Proposed Increase to Council Tax (section 7);
- Overall Budget Position 2024/2025 (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 2024/2025 (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 January 2024**

4.1 The report to Cabinet on 18<sup>th</sup> January 2024 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 2024/2025.

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

4.4 The Council awaits 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 2024/2025, 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 6.5% nationally in 2024/2025. For Sunderland the increase is 6.7% (based upon a Government assumed Council Tax increase of 4.99%) as shown in the table below. As noted, nationally 53% 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 37.6%.

|   | 2023/24        | 2024/25        | 2024/25       | 2024/25     |
|---|----------------|----------------|---------------|-------------|
|   | £m             | £m             | Change<br>£m  | Change<br>% |
| Settlement Funding Assessment                                 | 121.554        | 127.813        | 6.259         | 5.1%        |
| Compensation for under-indexing the business rates multiplier | 15.174         | 17.759         | 2.585         | 17.0%       |
| Council tax requirement excluding parish precepts             | 120.523        | 127.976        | 7.453         | 6.2%        |
| Improved Better Care Fund                                     | 18.684         | 18.684         | 0.000         | 0.0%        |
| New Homes Bonus   | 1.183          | 1.019          | (0.164)       | -13.9%      |
| Social Care Grant <sup>4</sup>                                | 29.337         | 35.066         | 5.729         | 19.5%       |
| ASC Market Sustainability and Improvement Fund                | 3.671          | 6.859          | 3.188         | 86.8%       |
| ASC Discharge Fund  | 2.619          | 4.366          | 1.747         | 66.7%       |
| Services Grant  | 3.473          | 0.546          | (2.927)       | -84.3%      |
| Grants Rolled in  | 2.384          | 0.000          | (2.384)       | -100%       |
| <b>Sunderland Core Spending Power</b>                         | <b>318.602</b> | <b>340.088</b> | <b>21.486</b> | <b>6.7%</b> |
| <b>Memorandum National Position</b>                           |                |                |               | <b>6.5%</b> |

4.7 For Sunderland there is a 5.1% increase in SFA for 2024/2025. The relatively low percentage increase is as a result of the continued business rates multiplier freeze for 2024/2025 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.

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 will continue for a further year in 2024/2025 in response to the ongoing impact of the cost-of-living crisis. The CSP includes an assumed allocation of £17.759m Section 31 grant in 2024/2025, with the actual figure received dependent on the Council's own NNDR position confirmed within the NNDR1 form submitted by 31 January 2024 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) 2024/2025 allocation has been frozen at the 2023/2024 level. This is in line with budget planning forecasts.

#### 4.10 New Homes Bonus (NHB)

The national quantum of funding available for NHB has remained at £291m for 2024/2025. Sunderland's allocation of NHB has reduced from £1.183m in 2023/2024 down to £1.019m in 2024/2025. Previous planning assumptions had been that the Council would not receive any NHB grant in 2024/2025 on the basis that the grant was likely to be phased out. Given the potential phasing out of this grant and the Government's intention to consult on NHB during 2024/2025, future years' assumed allocations have been prudently removed from budget planning from 2025/2026.

#### 4.11 Social Care Grant

As anticipated, Social Care Grant allocations from prior years have been maintained and the previously announced increases in social care grants in 2024/2025 have been confirmed. Some additional funding has been received reflecting the equalisation of this funding (to take into account that councils can raise different amounts of funding through Council Tax). The Adult Social Care Workforce Fund confirmed in July 2023 (£1.339m for 2024/2025) will be rolled into the larger Adult Social Care Market Sustainability and Improvement Fund grant in 2024/2025, which implies that this funding will continue into 2025/2026. The Council's medium-term planning assumptions have been updated to take account of this change.

The Social Care grants will support the specific rising cost pressures on adults and children's social care as noted in prior reports, and also in paragraphs 5.8 to 5.12 below.

#### 4.12 Services Grant

In recognition of the service delivery cost pressures facing councils, a new Services Grant totalling £822m nationally was announced for 2022/2023 but subsequently reduced to £483m in 2023/24. This national grant allocation has been significantly reduced again in 2024/2025 to £77m to fund increases elsewhere in the Settlement, this includes funding to support equalisation of the social care grant but also to fund the minimum funding guarantee to ensure that each council receives at least a 3% increase in CSP. The minimum funding guarantee mainly benefits district councils but also a small number of county councils. Sunderland's Services Grant allocation has reduced from £3.336m in 2023/2024 down to £0.546m in 2024/2025. It is likely that the Services Grant will be removed from 2025/2026 and therefore the budget planning has been updated accordingly.



## Funding Outside of Core Spending Power

### 4.13 Public Health Grant

The 2021 Spending review indicated Public Health grant funding will be maintained in real terms, implying an inflationary based increase, but this has not proved to be the case. Indicative Public Health grant allocations have already been announced. The indicative increase in allocations is only 1.36% (total funding of £3.527bn in 2023/2024 and £3.575bn in 2024/2025) with the Council's indicative allocation increasing from £25.967m in 2023/2024 to £26.320m in 2024/2025. The budget planning has been updated with the indicative allocations and will be reviewed as required when the final grant allocation for 2024/2025 is confirmed.

### 4.14 Housing Benefit and Council Tax Administration Grants

The Housing Benefit and Council Tax Administration Grants allocation for 2024/2025 has been received and the Grant has been reduced by £0.077m to £1.128m. The reduction in the Grant is due to the Department for Work and Pensions (DWP) migration to Universal Credit. For future years transitional arrangements will be applied to phase the impact of further reductions over three years, the MTFP will be updated to reflect these arrangements.

## **Council Tax**

- 4.15 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.
- 4.16 In the provisional settlement, the Government confirmed the referendum threshold for 2024/2025, 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 Adult 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.
- 4.17 The 2023/2024 Council Tax Collection Fund position is reported elsewhere on this agenda. When setting the forecast Council Tax position for 2023/2024 the continuation of the Covid-19 pandemic and the cost-of-living crisis, led to a reduced Council Tax income assumption for the year. The actual Council Tax collection is better than anticipated resulting in a forecast in-year surplus for the Council of £0.186m, which will be released from the collection fund to support the Council's budget position in 2024/2025. In addition, the variance from forecast and actual position for 2022/2023 is a deficit of £0.780m which will need to be fully recovered in 2024/2025. This impact has been reflected in the 2024/2025 budget and the Medium-Term Financial Plan (MTFP).
- 4.18 Full Council, at its meeting on 24<sup>th</sup> January 2024, approved the Council Tax base for the area covered by Hetton Town Council (4,267) and the City Council area (74,484). The base has increased from 2023/2024 primarily due to an anticipated reduced uptake of the Local Council Tax Support Scheme and also increases in house building across the city.

## Retained Business Rates

- 4.19 The NNDR 1 form sets out the Business Rate income forecast for 2024/2025 and is to be submitted to the Government by 31<sup>st</sup> January 2024 in accordance with regulations. The amount of business rates to be retained by the Council for 2024/2025 is forecast to be £46.399m, this amount has been reduced by £3.123m, due to the Retail, Hospitality & Leisure reliefs grant for 2024/2025, for which the Council will be fully compensated through an increased Section 31 grant from the Government.

## Schools' Funding

- 4.20 The Schools' Funding announcement on 19<sup>th</sup> December 2023 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 2022 to October 2023:

|                  | <b>Provisional Allocations<br/>2024/25</b> | <b>19-Dec Settlement<br/>2024/25</b> | <b>Change in Funding<br/>2024/25</b> |
|------------------|--|--------------------------------------|--------------------------------------|
|                  | <b>£m</b>                                  | <b>£m</b>                            | <b>£m</b>                            |
| Schools Block    | 214.76 *                                   | 217.62                               | 2.86                                 |
| High Needs       | 44.89                                      | 45.19                                | 0.30                                 |
| Central Services | 1.49                                       | 1.50                                 | 0.01                                 |
| Early Years      | N/A *                                      | 20.57                                | N/A                                  |
| <b>Total</b>     | <b>261.14</b>                              | <b>284.88</b>                        |                                      |

\*Provisional allocations exclude Growth Funding and Early Years

- 4.21 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 2024 census data.
- 4.22 Cabinet agreed in January to the principles proposed by the Sunderland Schools Forum for the 2024/2025 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 NFF to be implemented with the following local adjustments:
    - Minimum Funding Guarantee MFG applied at 0.5% in line with NFF value; a transfer of 0.5% (c. £1m) to the High Needs Block in recognition of ongoing pressures.
    - The Basic Entitlement factor set at reduced rates of £3,540.67 per Primary Pupil (NFF £3,562), £5,000.67 per Key stage 3 pupil (NFF £5,022) and £5,639.67 per Key Stage 4 pupil (NFF £5,661).

All other factors are within the NFF allowable parameters.

- 4.23 The Local Funding Formula was submitted to the Education and Skills Funding Agency on 22 January 2024.

## **5 Spending Pressures and Commitments 2024/2025**

- 5.1 When the Budget Planning Framework was approved in October 2023 and subsequently updated in December 2023 and January 2024, 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 2024/2025 is not yet agreed. Whilst inflation has reduced given the ongoing levels of inflation, current budget planning incorporates provision for a 3.5% pay award in 2024/2025, then reducing to 2% for 2025/2026 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 **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. Inflation peaked at a 40-year high with CPI rising to 11.1% in October 2022, although this has started to decrease, reducing to 3.9% in November 2023. Inflation continues to adversely impact the Council and the costs of the services which it provides. This is particularly evident in the care sector where cost increases have been significantly above the CPI inflation levels.

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 2024/2025 will be published prior to 30 September 2024 in line with the fees and charges policy.

5.5 Transport Levy  
Financial planning has been updated to meet a potential increase in the Council's Transport Levy contribution for 2024/2025, which is consistent with the Joint Transport Committee's budget proposals.

5.6 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.

### **Cabinet Secretary**

5.7 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. Ongoing higher borrowing rates will continue to impact upon the revenue cost of financing the capital programme. The required provision to support the proposed Capital Programme for 2024/2025 through to 2027/2028 has been factored in to the 2024/2025 budget and MTFP.

### **Children Learning and Skills**

5.8 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.

5.9 Demand and Cost Pressures - TfC

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 2024/2025 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.

5.10 Given the above inflationary and demand led pressures additional budget provision for TfC of £8.817m has been included in the budget from 2024/2025. Separately, following a full review by TfC a £2.750m budget reduction is supported by further transformational changes in service delivery, cost avoidance and income generation.

### **Healthy City**

5.11 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 £1.000m relating to demand has been included in the 2024/2025 budget and will be kept under review.

#### 5.12 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 2024/2025.

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 £10.914m has been added to 2024/2025 budget, with further provision held in contingency should inflationary pressures surpass this level.

### Spending Pressures and Commitments Summary

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

|   | 2024/25       | 2025/26       | 2026/27       | 2027/28       | Total          |
|---|---------------|---------------|---------------|---------------|----------------|
|   | £m            | £m            | £m            | £m            | £m             |
| <b>Spending Pressures and Commitments</b>                                 |               |               |               |               |                |
| Pay   | 9.527         | 4.171         | 4.283         | 4.399         | <b>22.380</b>  |
| Energy  | (2.597)       | 0.500         | 0.500         | 0.500         | <b>(1.097)</b> |
| Other Price and Contract Inflation<br>(inc. Social Care Demand Pressures) | 14.682        | 8.977         | 9.809         | 9.727         | <b>43.195</b>  |
| Transport Levy  | 0.559         | 0.500         | 0.500         | 0.500         | <b>2.059</b>   |
| Other Service Pressures   | 1.196         | (0.266)       | 0.000         | 0.000         | <b>0.930</b>   |
| Capital Financing   | 5.130         | 3.000         | 3.000         | 1.200         | <b>12.330</b>  |
| Pensions Actuarial Review   | 0.000         | 0.000         | 2.000         | 0.000         | <b>2.000</b>   |
| <b>Total Spending Pressures and Commitments</b>                           | <b>28.497</b> | <b>16.882</b> | <b>20.092</b> | <b>16.326</b> | <b>81.797</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 2024/2025 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 2024/2025 (£m) | Savings Proposal 2025/2026 (£m) | Savings Proposal 2026/2027 (£m) | Savings Proposal 2027/2028 (£m) |
|--------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Leader                         | 0.062                           | 0.000                           | 0.000                           | 0.000                           |
| Deputy Leader                  | 0.120                           | 0.030                           | 0.000                           | 0.000                           |
| Cabinet Secretary              | 1.189                           | (0.100)                         | 0.000                           | (0.400)                         |
| Children Learning Skills       | 2.750                           | 0.000                           | 0.000                           | 0.000                           |
| Dynamic City                   | 0.448                           | 0.000                           | 0.000                           | 0.000                           |
| Healthy City                   | 2.104                           | 0.300                           | 0.000                           | 0.000                           |
| Vibrant City                   | 0.000                           | 0.123                           | 0.000                           | 0.000                           |
| <b>Total Savings Proposals</b> | <b>6.673</b>                    | <b>0.353</b>                    | <b>0.000</b>                    | <b>(0.400)</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 2024/2025

- 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 Council Tax and the Adult Social Care Precept for 2024/2025. The Government's assumption when it considers the resources and funding that is available to councils is that councils will increase Council Tax by 4.99%.
- 7.2 The referendum limits set out in the local government settlement for 2024/2025 enable the combined Council Tax and Adult Social Care Precept to be increased by up to 4.99% without the need for a referendum.
- 7.3 Consultation undertaken as part the 2024/2025 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 and Appendix C, consultation responses indicate that 38% of respondents either agreed or strongly agreed with an increase in Council Tax up to the

5% referendum level with 12% of respondents neither agreeing or disagreeing. Overall, 50% of respondents indicated that an increase in Council Tax was not desirable with respondents either strongly disagreeing or disagreeing.

- 7.5 For 2024/2025 it is proposed to increase core Council Tax by 2.99% and to increase the Adult Social Care Precept by 2%, resulting in a combined increase of 4.99% i.e., within the referendum limit permitted by the Government.
- 7.6 The formal decisions of the major precepting bodies are awaited regarding their precept proposals for 2024/2025. Consequently, the Fire Authority and Police and Crime Commissioner elements of the proposed Council Tax for 2024/2025 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 2024/2025

- 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 £25.6m at the start of next financial year and the MTFP assumes this will be used over the three-year period to 2026/2027. The position below shows a balanced budget position for 2024/2025 taking into account the proposed Council Tax and Adult Social Care Precept increases and which is reliant upon the use of £9.000m of reserves. There remains a MTFP budget gap of £44.691m for the period 2025/2026 to 2027/2028.

|   | 2024/25      | 2025/26       | 2026/27       | 2027/28       | Total           |
|---|--------------|---------------|---------------|---------------|-----------------|
|   | £m           | £m            | £m            | £m            | £m              |
| Spending Pressures and Commitments  | 28.497       | 16.882        | 20.092        | 16.326        | <b>81.797</b>   |
| Previously Approved Savings Proposals   | (0.179)      | 0.086         | 1.778         | 0.000         | <b>1.685</b>    |
| Government Grant Change   | (15.633)     | 0.559         | (1.027)       | (1.048)       | <b>(17.149)</b> |
| 2024/25 Savings Proposals   | (6.673)      | (0.353)       | 0.000         | 0.400         | <b>(6.626)</b>  |
| <b>Gross Funding Gap</b>  | <b>6.012</b> | <b>17.174</b> | <b>20.843</b> | <b>15.678</b> | <b>59.707</b>   |
| Collection Fund Impact  | (6.012)      | (5.585)       | (6.120)       | (6.299)       | <b>(24.016)</b> |
| <b>Current MTFP Gap</b>   | <b>0.000</b> | <b>11.589</b> | <b>14.723</b> | <b>9.379</b>  | <b>35.691</b>   |
| Decrease / (Increase) in use of MTFP Reserve                                  | 0.000        | 0.000         | 1.400         | 7.600         | <b>9.000</b>    |
| <b>Current MTFP Gap after agreed use of reserves and Council Tax increase</b> | <b>0.000</b> | <b>11.589</b> | <b>16.123</b> | <b>16.979</b> | <b>44.691</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 Government continues to protect and prioritise a number of departments in terms of funding. Unfortunately, local government is not a sector that is protected with current forecasts for additional Government funding over the medium term limited to small inflationary increases with currently council tax being seen as the major source of additional funding for local government. Even then costs are forecast to outstrip additional funding. 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 2024/2025 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 and from within the overall corporate resource position.
- 9.3 The Council's Efficiency Strategy is set out at Appendix G (i) 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 2024/2025 to 2027/2028 and Treasury Management Policy and Strategy 2024/2025 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 2024/2025, 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 2024/2025 to 2027/2028 is set out at Appendix G.



## **11 Budget Consultation 2024/2025 – Update once consultation response is received and appendices is updated**

- 11.1 Cabinet agreed the proposed consultation and communication arrangements in October 2023 as part of the Budget Planning Framework for 2024/2025.
- 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 7<sup>th</sup> December 2023, and closed on 7<sup>th</sup> January 2024. 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 and via ward councillors. 120 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 of 4.99% which has been included within the planning assumptions and which is up to the 5% Government referendum limit, 50% of respondents 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 and Sunderland Business Improvement District.
- 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 2024/2025 budget consultation will help inform proposed arrangements for future budget consultations.

## **12 Integrated Impact Assessments (IIAs) and the Budget Proposals**

- 12.1 In accordance with the Council's new approach to assessing predicted impacts of activity, IIAs have been completed to support the budget setting process. The new tool enables the Council to give due regards to the impacts of activity on:
  - i. Equality and Human Rights, including ensuring the Council meets the three aims of the Public Sector Equality Duty (Appendix 2);
  - ii. Socio-economic and digital inequalities;
  - iii. Population health and health inequalities;
  - iv. Low carbon and sustainability; and
  - v. Community wealth building, including the duty on local authorities to consider the impact of all their functions and decisions on crime and disorder in their local area

- 12.2 The Council continues to fully consider the impact of its plans by following a robust approach to predicted impact analysis. Each Service has considered the predicted impacts of their proposals, their judgements along with full IIAs where applicable are outlined at Appendix A.
- 12.3 Members must understand the implications of the proposals outlined in the IIAs, as having regard to them will assist members in understanding the impact of decision and 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 2024 and 31<sup>st</sup> March 2025 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 2024 and 31<sup>st</sup> March 2025. 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 2023/2024 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 2024/2025 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 2024/2025 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 2023/2024 is considered prudent and robust given the overall level of reserves.

## **14 Detailed Budget 2024/2025**

- 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 Adult 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 2024/2025 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 2024/2025. Consequently, the Fire Authority and Police and Crime Commissioner elements of the proposed Council Tax for 2024/2025 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 2023/2024 and 2024/2025 have arisen as a result of:
- temporary budget adjustments in 2023/2024;
  - 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 2023, sets the framework for the allocation of the Council's resources. As in previous years, evidence has been collated to determine whether changes need to be made to the City Plan and indicative timeline for 2024/2025.
- 15.2 The updated City Plan 2024-2035 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**

- 18.1 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 2024/2025 - 2027/2028](#)

(12 October 2023 Cabinet)

[Budget Planning Framework and Medium-Term Financial Plan 2024/2025 - 2027/2028](#)

(7 December 2023 Cabinet)

[Revenue Budget 2024/2025 to 2027/2028 – Update and Provisional Local Government Finance Settlement 2024/2025](#)

(18 January 2024 Cabinet)

## **List of Appendices**

- Appendix A – Budget Savings Proposals
- Appendix B – Equality and Budget Proposals
- Appendix C – Budget Consultation 2024/2025 Results
- Appendix D – Formal Budget Consultation Meetings
- Appendix E – Scrutiny Co-ordinating Committee Consultation on the Budget 2024/2025
- Appendix F – Proposed Council Tax for 2024/2025
- Appendix G – Medium Term Financial Plan (MTFP) 2024/2025 – 2027/2028
- Appendix G (i) – Efficiency Strategy
- Appendix G (ii) – MTFP 2024/2025 to 2027/2028 Risk Assessment
- Appendix H – General Balances – Financial Risk Analysis
- Appendix I – Earmarked Reserves – Position Statement
- Appendix J – Revenue Budget 2024/2025
- Appendix K – City Plan Update 2024-2035



## Budget Savings Proposals

### 1. Leader Proposals – Total Saving £0.062m (2024/2025)

#### 1.1 L1 – Strategy and Corporate Affairs (saving £0.062m in 2024/2025)

Review of team staffing arrangements and Operating Model.

An Integrated Impact Assessment (IIA) has been completed and can be viewed at the link below. The impact of this proposal is discussed further in Appendix B.

[Link to Integrated Impact Assessment - L1](#)

### 2. Deputy Leader and Clean Green City Proposals – Total Saving £0.120m (2024/2025), £0.030m (2025/2026)

#### 2.1 DL1 – Port of Sunderland (saving £0.100m in 2024/2025)

Improved trading position of the Port.

An Integrated Impact Assessment (IIA) was not necessary for this proposal.

#### 2.2 DL2 – Local Services (saving £0.020m in 2024/2025)

Review of Local Services team staffing arrangements.

An Integrated Impact Assessment (IIA) has been completed and can be viewed at the link below. The impact of this proposal is discussed further in Appendix B.

[Link to Integrated Impact Assessment - DL2](#)

#### 2.3 DL3 – Waste Collection and Recycling (saving £0.030m in 2025/2026)

Revised Trading Activity – Trade Waste.

1. Introduction of a 'charge-by-weight' operating model for SCC Trade Waste customer's residual waste.

2. Trade Waste Recycling Service redesign to support roll-out of UK Government measures to increase recycling from businesses and other organisations that produce municipal waste.

An Integrated Impact Assessment (IIA) has been completed and can be viewed at the link below. The impact of this proposal is discussed further in Appendix B.

[Link to Integrated Impact Assessment - DL3](#)

- 3. Cabinet Secretary Proposals – Total Saving £1.189m in 2024/2025, reducing by £0.100m in 2025/2026 and reducing by a further £0.400m in 2027/2028**
- 3.1 CS1 – Audit, Risk and Performance (saving £0.400m in 2024/2025, reducing by £0.400m in 2027/28)**
- Phased reduction in Insurance Reserve.
- An Integrated Impact Assessment (IIA) was not necessary for this proposal.
- 3.2 CS2 - Audit, Risk and Performance (saving £0.005m in 2024/2025)**
- Increased income from Academies.
- An Integrated Impact Assessment (IIA) was not necessary for this proposal.
- 3.3 CS3 – School Meals (saving £0.200m in 2024/2025)**
- Reduction in trading contingency.
- An Integrated Impact Assessment (IIA) was not necessary for this proposal.
- 3.4 CS4 – Housing Benefits (saving £0.100m in 2024/2025, reducing by £0.100m in 2025/26)**
- Benefits overpayments.
- An Integrated Impact Assessment (IIA) was not necessary for this proposal.
- 3.5 CS5 - Procurement (saving £0.020m in 2024/2025)**
- NEPO Membership Fee – Reduction in Charge.
- An Integrated Impact Assessment (IIA) was not necessary for this proposal.
- 3.6 CS6 - Procurement (saving £0.020m in 2024/2025)**
- Increased income from employee car lease scheme.
- An Integrated Impact Assessment (IIA) was not necessary for this proposal.
- 3.7 CS7 – Miscellaneous Land, Property and Industrial Units (saving £0.020m in 2024/2025)**
- Increase income from non-operational assets as a result of rent reviews being due.
- An Integrated Impact Assessment (IIA) was not necessary for this proposal.
- 3.8 CS8 – Coroner’s Court (saving £0.100m in 2024/2025)**
- Reduction in overall budget due to underspend in last two years.



An Integrated Impact Assessment (IIA) was not necessary for this proposal.

### **3.9 CS9 – Member Support (saving £0.050m in 2024/2025)**

Reduction in overall budget due to underspend in last two years.

An Integrated Impact Assessment (IIA) was not necessary for this proposal.

### **3.10 CS10 – Customer Enabling Service & Transformation Projects Team (saving £0.175m in 2024/2025)**

Review of team staffing arrangements and deletion of vacant posts.

An Integrated Impact Assessment (IIA) has been completed and can be viewed at the link below. The impact of this proposal is discussed further in Appendix B.

[Link to Integrated Impact Assessment - CS10](#)

### **3.11 CS11 – ICT (saving £0.065m in 2024/2025)**

Business Practice Improvements – MFD reduction to align to the organisations reduced printing volume.

An Integrated Impact Assessment (IIA) has been completed and can be viewed at the link below. The impact of this proposal is discussed further in Appendix B.

[Link to Integrated Impact Assessment - CS11](#)

### **3.12 CS12 – Governance Services (saving £0.034m in 2024/2025)**

Business Practice Improvements – MFD's and Printing.

Reduction to printing budget for Committee Agendas and review of Scrutiny budget.

An Integrated Impact Assessment (IIA) was not necessary for this proposal.

## **4 Children Learning and Skills – Total Saving £2.750m (2024/2025)**

### **4.1 CLS1 – Together for Children (saving £2.750m in 2024/2025)**

- Additional income generation
- Establishment review
- Spend to save initiatives
- General efficiencies and savings

An Integrated Impact Assessment (IIA) has been completed and can be viewed at the link below. The impact of this proposal is discussed further in Appendix B.

[Link to Integrated Impact Assessment – CLS1](#)

## **5 Dynamic City – Total Saving £0.448m (2024/2025)**

### **5.1 DC1 – Infrastructure and Transportation (saving £0.100m in 2024/2025)**

Adshel Contract (fixed income and profit share).

An Integrated Impact Assessment (IIA) was not necessary for this proposal.

### **5.2 DC2 – Strategic Management (saving £0.100m in 2024/2025)**

Increased distribution from Siglion.

An Integrated Impact Assessment (IIA) was not necessary for this proposal.

### **5.3 DC3 – Infrastructure and Transportation (saving £0.020m in 2024/2025)**

Capital Schemes - allocation of staffing time as part of scheme review.

An Integrated Impact Assessment (IIA) was not necessary for this proposal.

### **5.4 DC4 – Regulatory Services (saving £0.228m in 2024/2025)**

Review of fees and charges.

Introduction of a Street Trading Policy, fast track fees for planning, additional event fees and leaflet distribution consents between April 2024 and March 2025.

The Street Trading Policy will be subject to public consultation and approval by Regulatory and Licencing Committee

An Integrated Impact Assessment (IIA) has been completed and can be viewed at the link below. The impact of this proposal is discussed further in Appendix B.

[Link to Integrated Impact Assessment – DC4](#)

## **6 Healthy City – Total Saving £2.104m (2024/2025) and £0.300m (2025/2026)**

### **6.1 HC1 – Adult Social Care (saving £1.654m in 2024/2025)**

Re-align operating model – Practice review

Complete a review of hospital admission and discharge processes across the Sunderland system. Focusing on improving outcomes within urgent and emergency Care services across the Sunderland system, by helping more people avoid hospital and better supporting people leaving hospital to be independent.

An Integrated Impact Assessment (IIA) has been completed and can be viewed at the link below. The impact of this proposal is discussed further in Appendix B.

[Link to Integrated Impact Assessment – HC1](#)

## **6.2 HC2 – Adult Social Care (saving £0.200m in 2024/2025 and saving £0.300m in 2025/2026)**

Expansion of Direct Payment customers as opposed to traditional home care which will assist in ensuring increased level of choice and improved outcomes linking in the CQC assessment themes. Sunderland's number of Direct Payment recipients is relatively low compared to other areas.

An Integrated Impact Assessment (IIA) has been completed and can be viewed at the link below. The impact of this proposal is discussed further in Appendix B.

[Link to Integrated Impact Assessment – HC2](#)

## **6.3 HC3 – Adult Social Care (saving £0.150m in 2024/2025)**

Increase the Telecare Charge in line with rent increases for Council owned properties.

An Integrated Impact Assessment (IIA) has been completed and can be viewed at the link below. The impact of this proposal is discussed further in Appendix B.

[Link to Integrated Impact Assessment – HC3](#)

## **6.4 HC4 – Adult Social Care (saving £0.100m in 2024/2025)**

Implementation of Total Mobile system with increased staff capacity in community without increasing staffing numbers by empowering frontline staff with access to patient records at the point of care and removing time-consuming admin requirements.

An Integrated Impact Assessment (IIA) was not necessary for this proposal.

## **7 Vibrant City – Total Saving £0.000m (2024/2025) and £0.123m (2025/2026)**

### **7.1 VC1 – Welfare Rights (saving £0.123m in 2025/2026)**

Restructure Welfare Rights service, remove the MacMillan Service and commission Tier 1 from VCS supported through Welfare Rights Public Health Agreement.

An Integrated Impact Assessment (IIA) has been completed and can be viewed at the link below. The impact of this proposal is discussed further in Appendix B.

[Link to Integrated Impact Assessment – VC1](#)



## **Integrated Impact Assessments (IIAs) for 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 Integrated Impact Assessments (IIAs) inform the budget-setting process**

- 2.1 In accordance with the Council’s new approach to assessing predicted impacts of activity, IIAs have been completed to support the budget setting process. The new tool enables the Council to give due regards to the impacts of activity on:
- i. Equality and Human Rights, including ensuring the Council meets the three aims of the Public Sector Equality Duty;
  - ii. Socio-economic and digital inequalities;
  - iii. Population health and health inequalities;
  - iv. Low carbon and sustainability; and
  - v. Community wealth building, including the duty on local authorities to consider the impact of all their functions and decisions on crime and disorder in their local area.

- 2.2 IIAs prompt services to:
- i. Be intelligence, insight and evidence led - using data and intelligence to shape planned activity;
  - ii. Assess impact - assess the potential positive, negative and neutral impacts of activity;
  - iii. Be equitable - recognise that each person, or community, has different circumstances and allocate resources and opportunities needed for them to achieve an equal outcome;
  - iv. Be innovative and bold - maximise opportunities to achieve additional benefits from planned activity and acknowledge and mitigate, where possible, any negative impacts;
  - v. Work collaboratively - work together across the Council, and with our partners and communities; and
  - vi. Demonstrate due regard has been given to key Council commitments ensuring the predicted impacts of decisions are documented to enable transparent and evidence-based decision making.

- 2.3 Individual proposals for savings have been reviewed to determine whether an IIA is required. Where IIAs are required, and positive and negative impacts are identified, it is the responsibility of the services to minimise any negative impacts as far as possible. This is the first year that IIAs rather than equality analysis has been applied to budget proposals. A standard approach will be taken each year to ensure:
- equality and wider impact considerations are given to each new savings proposal;
  - proposals agreed in previous years are reconsidered to ensure planned IIAs have been completed or refreshed, where appropriate; and
  - where IIAs are finalised, a sampled quality assurance process takes place to ensure the relevant considerations are being made in a thorough manner. This quality assurance process will look beyond equality impacts to consider all impacts within the IIA tool.

### **3 Consultation and intelligence**

- 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 and wider IIA considerations. Communications and consultations are focussed on a range of groups and communities to maximise involvement.
- 3.2 The IIAs have a data and intelligence section. This section of IIAs is extremely important as it provides the rationale for the activity in terms of both data and intelligence, and customer feedback. Here services demonstrate that the data and intelligence is robust and that it is supporting the decision. It is here also where services set out how consultation views have shaped the activity.

## 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 eleven of the proposals required an Integrated Impact Assessment to be carried out, these are:

L1 – Strategy and Corporate Affairs

DL2 – Local Services

DL3 – Waste Collection and Recycling

CS10 – Customer Enabling Service & Transformation Projects Team

CS11 – ICT

DC4 – Regulatory Services

HC1 – Adult Social Care – Practice Review

HC2 – Adult Social Care – Expansion of Direct Payments

HC3 – Adult Social Care – Telecare Charging

VC1 – Welfare Rights

CLS1 – Together for Children

4.3 Of the eleven proposals highlighted above, four concluded that there would be a neutral impact (i.e., no disproportionate impact on any of the protected characteristics). Of the seven remaining proposals:

- Two identified uncertainly or potentially negative impacts for people with a disability that would need to be mitigated, whilst four identified positive impacts in relation to *disability*.
- Five identified positive impacts with regards to *age*, and *advancing equality of opportunity*, respectively.
- Four identified positive impacts in relation to *other vulnerable groups / people with complex needs*, while two recognised positive impacts in terms of *race*.
- Two recognised positive impacts in terms of *fostering good relations*, whilst one proposal declared uncertainly around this area, as well as uncertainty around eliminating discrimination, harassment, and victimisation, that would need to be mitigated.
- One count of positive impact was identified for *religion, pregnancy/maternity, gender reassignment, sex, and sexual orientation*, respectively.

Four proposals - three of which had a neutral equality impact - identified savings because of staffing changes. Equality considerations have been included in the templates provided and will be considered further as part of the workforce planning arrangements.

| Reference                            | Savings identified involving staffing changes | Equality implications |                     |           |                |
|--------------------------------------|---|-----------------------|---------------------|-----------|----------------|
|                                      |   | Positive              | Positive & Negative | Uncertain | Not applicable |
| L1 – Strategy and Corporate Affairs  | ✓   |                       |                     |           | ✓              |
| DL2 – Local Services                 | ✓   |                       |                     |           | ✓              |
| DL3 – Waste Collection and Recycling |   |                       |                     |           | ✓              |

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 2024/2025 Results

### 1. Background and Context

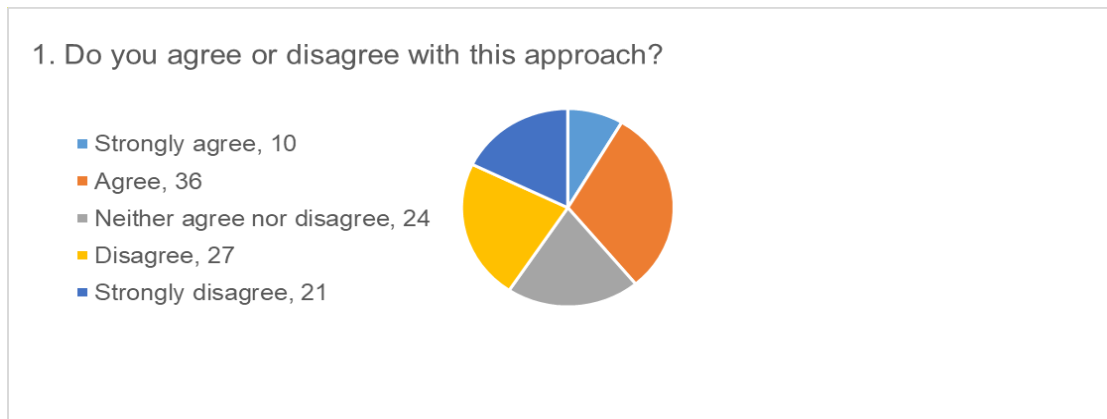
- 1.1 This year's consultation process utilised existing networks such as 'Let's Talk' and social media to communicate with both geographic communities and communities of interest. In addition to residents, there were communications with a range of partners and stakeholders. The consultation was open for one month between 7<sup>th</sup> December 2023 and 7<sup>th</sup> January 2024.
- 1.2 The engagement process focused on people's views on planned proposals to meet the £17m funding gap after an assumed increase in Council Tax of 4.99% and before any planned use of reserves. The proposals included:
- Cost savings at that time totalling £5.237 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 £2.560 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 c. £17m funding gap. Views on the proposed council tax increase were also sought, including utilising the higher council tax referendum limit set by the Government and in line with the Government's assumptions.
- 1.4 Budget plans included an assumed Council Tax increase of 4.99%. In 2023/2024 the Government increased the referendum limit for 2 years to 2024/2025. 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 Adult 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 £1.05 more per week whilst a household living in a Band D property would be paying £1.57 more per week. For those in receipt of council tax support these increases would be lower. Even taking into account this increase, Sunderland would remain the lowest Council Tax rate for Band D in the North East. This increase would generate an additional £6.084 million.
- [Our proposed approach can be read in detail in the Budget Planning Framework and Medium-Term Financial Plan.](#)
- 1.6 Response levels were lower than last year with 120 consultation responses received, compared to 169 previously.
- 1.7 In addition, briefings to the following stakeholders were given:

- North East Chamber of Commerce, representatives of business ratepayers and Sunderland Business Improvement District; and
- Trades Unions.

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 120 responses received to this question (2 replies did not include an answer to this question).



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 85 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's proposed increase of 4.99% (2.99% core Council Tax increase and 2% Adult Social Care increase) in line with the Government's assumptions for local authorities. The chart below displays

the 118 responses received to this question (2 replies did not include an answer to this question).

Do you agree or disagree with the Council's proposed increase of 4.99% (2.99% core Council Tax increase and 2% Adult Social Care increase) in line with the Government's assumptions for local authorities?

- Strongly agree, 13
- Agree, 32
- Neither agree nor disagree, 14
- Disagree, 19
- Strongly disagree, 40



- 2.6 The responses received to this question indicate that 38% of respondents either agreed or strongly agreed with an increase in Council Tax up to the 5% referendum level with 12% of respondents neither agreeing or disagreeing. Overall, 50% of respondents indicated that an increase in Council Tax was not desirable with respondents either strongly disagreeing or disagreeing.
- 2.7 This information has been considered by Cabinet in considering their proposals for the 2024/2025 budget alongside the need to continue to deliver services to our residents and businesses within the financial resources available.



**Formal Budget Consultation Meeting held on Wednesday, 10<sup>th</sup> January 2024 at 3.00pm with Trade Unions**

**Council Representatives**

|                    |   |                                    |
|--------------------|---|------------------------------------|
| Cllr Graeme Miller | - | Leader of the Council              |
| Patrick Melia      | - | Chief Executive                    |
| Paul Wilson        | - | Director of Finance                |
| Claire Emmerson    | - | Assistant Director of Finance      |
| Gillian Hunter     | - | Strategic Lead – People Management |

**Trade Union Representatives**

|                |   |        |
|----------------|---|--------|
| Diane Peacock  | - | Unison |
| Lisa Foot      | - | Unison |
| Conor McArdle  | - | Unison |
| Howard Fawcett | - | Unison |
| Graham Avery   | - | GMB    |
| Dave Riddle    | - | GMB    |
| Kay Charlton   | - | Unite  |

**Apologies**

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

Representatives from the Trade Unions attended a meeting where Paul Wilson (PW) gave a brief presentation on the Council's budget position for 2024/25 and the medium term.

After the presentation PW opened the meeting for questions and feedback.

1. Dave Riddle (DR) asked with regard to funding, as to whether the Government have given any commitment in the future in terms of funding pay awards for local government and schools?

Cllr Graeme Miller (GM) explained that we are still receiving yearly finance settlements and that we find out very late in the year what our actual funding is to be. For 2024/2025 we didn't receive this information until 18<sup>th</sup> December with some funding allocations reducing from the levels received in the previous year.

PW explained that the local government pay award is unfunded and that there is no specific relationship between the grant funding and the costs of any pay award.

Patrick Melia (PM) added there is no correlation between the costs we incur across services for example adult social care and the amount of grant funding received – with potential cost increases expected greater than any additional funding allocated by the Government.

GM said that the Council had supported its residents in 2023/24 by not increasing council tax by the maximum 4.99% but given that the Government are not providing sufficient funding we are planning for a 4.99% increase in 2024/2025.

2. Diane Peacock (DP) commented with regard to the proposed additional days annual leave that whilst the proposal was appreciated that there may be better, more cost-effective solutions or one-off solutions that could be implemented.

PM agreed that further conversations would be needed around alternatives, whether it is a one-off day or for example attached to the long service award but there is a commitment from the Council to have something in place.

DP also asked if it has to be a specific day's holiday? Some of the alternative suggestions included:

- A holiday on your birthday so that not everyone is off together;
- A voucher scheme to reward staff instead of a day's leave which would be redeemable in businesses across Sunderland so the money would be retained across the city.

PM asked the Trade Unions to have further discussions and then feedback to Gillian Hunter (GM).

Conor McArdle (CM) had one concern about the additional day's leave for the staff in maintained schools as to whether schools would allow the additional day's leave.

3. DR mentioned he has received a number of comments from people returning to the North East about how the redevelopment in Sunderland is having a very positive affect on the City. He asked if the Council would see any financial benefit because of these improvements?

PW responded that from a council perspective the residential development across the city has a positive impact on our council tax base thereby increasing the amount of council tax we can raise. As an example, the council tax base for 2024/2025 has increased by over 800 properties compared with 2023/2024. Additionally, through the other developments this will bring additional resources through business rates growth.

PM added that whilst this helps with additional funding, it also leads to increased costs as for example we need to maintain more roads, provide our services to more households. There are wider benefits to our resident's employment opportunities and to our businesses increasing the

numbers of people who are living, working and spending in the City Centre the more our economy is boosted.

4. DR asked about the inflationary measures with regard to the National Living Wage and the Real Living Foundation Wage, are we following the Living Foundation Wage? PW confirmed that we were compliant with the Real Living Wage but that the Council was part of the collective national bargaining arrangements where the focus was on the National Living Wage given that a number of employers have not signed up to the Real Living Wage. The increases in both the National Living Wage and the Real Living exerts a pressure in terms of pay awards.
5. CM asked about the proposals for Adult Social Care to save £1.75bn. PM responded that between South Tyneside Council, ourselves and the Foundation Trust we are doing a piece of work around admissions of older people to hospital and then discharge arrangements. Work that has been done elsewhere in the country has proved that changes to the overall system can make substantial savings. Early indications show that 40% of people going into hospital are preventable through better community care services. If we can change those pathways and keep people out of hospital they don't need as much care in the community and they are better looked after.
6. CM asked if there would be any service reviews? PM said that given the scale of reductions required in the future that we will need to review the services that we provide and unfortunately, we would have to realise reductions in head count as there is no way we can get through the longer term without reductions. DR added have we looked at age groups in relation to reductions as we do tend to have an aging workforce, will some of the reduction be taken up in retirement etc? PM explained if some people decide to retire or leave it will then be our decision whether to fill that post or not, but this is something that we already consider with all posts that become vacant.
7. DP said it was mentioned at the Corporate Joint Consultative Forum recently that we were trying to reduce sickness. GH said that continuing on from the work already undertaken, that we will be doing a lot of work in the organisation over the next 12 months to make sure that we are consistently managing sickness in line with our policy and that we will be giving people the support they need to ensure this is managed effectively and efficiently.
8. GM thanked everyone for attending and their input to the meeting.

## **Formal Budget Consultation Meeting was held on Friday, 5<sup>th</sup> January 2024 at 11.00am with the North East England Chamber of Commerce and Sunderland BID**

### **Council Representatives**

|                    |   |                               |
|--------------------|---|-------------------------------|
| Cllr Graeme Miller | - | Leader of the Council         |
| Patrick Melia      | - | Chief Executive               |
| Paul Wilson        | - | Director of Finance           |
| Claire Emmerson    | - | Assistant Director of Finance |

### **Business Representatives**

|                 |   |                         |
|-----------------|---|-------------------------|
| Rachel Anderson | - | NEE Chamber of Commerce |
| Sharon Appleby  | - | Sunderland BID          |
| Kirsty Currie   | - | Sunderland BID          |
| Angela Ashcroft | - | Mortons Solicitors      |

### **Apologies**

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

Representatives from the North East England Chamber of Commerce, Sunderland BID and Mortons Solicitors attended a meeting where Paul Wilson (PW) gave a brief presentation on the Council's budget position and he also outlined some of the pressures we are facing.

He invited questions and views from the group as follows:-

1. Rachel Anderson (RA) asked, at the meeting last year we talked about the levels of inflation and there was a forecast at the beginning of the year that inflation would have fallen back to normal levels by the end of the year, it has but it has taken a lot longer to fall than expected. What impact has this had?  
  
PW confirmed that there are in-year cost pressures within Children's and Adult's Social Care alongside other services and that whilst additional funding was provided as part of the 2023/2024 budget costs have increased beyond that. These overall pressures have been counteracted by savings in debt charges and increased levels of investment income earned through the Council's treasury management service.
2. Sharon Appleby (SA) mentioned they are having quite a lot of discussion at the British BID's Board around what the implication of the funding position of local authorities and spending pressures being faced and how this would impact on BIDs in terms of helping to fill the gap or take on more activity.



3. RA asked with regard to council tax whether the residential development within the local plan would provide a significant uplift in Council Tax? PW responded that the Council assumes growth each year in its council tax base primarily aligned to known developments. There is a substantial increase in the council tax base of over 600 band D equivalent properties in 2024/2025 compared with 2023/2024.

Cllr Graeme Miller (GM) added last year that the Council did not increase council tax as much as was permitted in order to assist our residents during the cost-of-living crisis but that this position is not sustainable.

4. RA asked about the healthy saving proposal. PW mentioned the joint work being undertaken jointly with the Trust and South Tyneside Council. Patrick Melia (PM) added that this was around providing better adult care solutions and outcomes for our residents including trying to reduce the need for hospital admissions and the overall cost of care across health and local government.
5. In relation to capital investment RA enquired about the availability of match funding aligned to securing resources through the North East devolution deal. PM added we have to find money for things like repairing roads and potholes but for large scale projects we will have to continue to look for Government funding, the devolution investment fund and other resources as it is going to be challenging to afford any significant capital expenditure.
6. PM advised that irrespective of the Government it is unlikely that any additional funding for local government will be forthcoming until at least 2026/2027. This year has again been a challenge to balance the books without impacting on front line services, but the outlook for subsequent years is even more difficult and is likely to impact on the services we deliver.
7. RA asked with regard to the planned use of £9m of reserves per annum over the next 3 years as to where that left Council reserves? PW responded that alongside this reserve the Council has its general fund reserve at £12m which is held in case of emergencies.
8. RA mentioned the bus strike and that bus routes had gone up their agenda significantly, is there pressure for more money on our precept to Nexus? SA referred to the adverse impact on city centre businesses. GM responded that at the end of the day we don't get enough money from Central Government to support transport issues in the North East. PM added that bus services are challenging given the need for the bus operators to operate commercially and make a profit as well as the need to try and fund the non-profitable routes.
9. GM thanked everyone for attending and their input to the meeting.



## Scrutiny Coordinating Committee Consultation on the Budget 2024/2025

### Comments of Scrutiny Coordinating Committee

1. On 12<sup>th</sup> October 2023, Scrutiny Coordinating Committee considered the Budget Planning Framework and Medium-Term Financial Plan 2024/2025– 2027/2028 report which was referred from the October Cabinet meeting.

Scrutiny Coordinating Committee commented as follows:

“The Scrutiny Committee notes the contents of the report including the medium-term financial strategy and budget planning framework and is satisfied with the information provided.

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

The Committee also acknowledges the work undertaken around the budget consultation and updating the Capital Strategy. The Committee remains committed to budget monitoring through further updates to the Committee and has no further comments to make at this time.”

2. On 7<sup>th</sup> December 2023, Scrutiny Coordinating Committee considered the Budget Planning Framework and Medium-Term Financial Plan 2024/2025– 2027/2028 report which was referred from the December Cabinet meeting.

Scrutiny Coordinating Committee commented as follows:

“ i) The Scrutiny Committee notes the contents of the report including the medium-term financial plan and budget planning framework and acknowledges the budget saving proposals as well as the remaining overall budget gap, and

ii) The Committee recognises the difficult financial situation that the Council continues to operate within and remains focused on monitoring the budget position through updates provided at this Committee and has no further comments to make at this time.”



**Proposed Council Tax for 2024/2025**

As detailed in the Council Report – Determination of Council Tax 2024/2025



## Medium Term Financial Plan (MTFP) 2024/2025 – 2027/2028

### 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 2024/2025 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 Autumn Statement was delivered by the Chancellor on 22 November 2023 and set out details of the country's finances including details of the government tax and public spending plans. The Office for Budget Responsibility (OBR) also warned pressure on local authority budgets "will continue." It said 2022/23 was the first time since 2019/20 that local authorities had drawn on their reserves for current spending, using £2.3bn and it now assumes they will drawdown a further £1.5bn in 2023/24 and £0.8bn in 2024/25. Its previous forecast in March 2023 had assumed there would be no drawdown from reserves. The analysis notes that 11 section 114 notices have been issued by local authorities since 2018, this includes Croydon that has issued three section 114 notices, compared with two nationally between 2000 and 2018, but says the "direct impact on our forecast to date has been relatively small as the central government response to section 114s has been to allow affected local authorities to reallocate their capital budget towards day-to-day spending (a 'capitalisation direction') or to increase council tax rates".
- 2.2 However, the OBR warns that wider pressures on local authority finances still pose a risk to its forecast. It notes that local authority spending has fallen from 7.4% to 5% of Gross Domestic Product (GDP) since 2010/11 and forecasts it will fall further to 4.6% in 2028/29. It adds: "Given local authorities' statutory duty to provide a range of services where demand is likely to continue to grow, for example adult and child social care, pressure on local authority finances and services will continue." The watchdog also forecasts a £4.5bn fall in borrowing for capital expenditure from its 2019/20 peak of £11.5b to £7bn in 2028/29. It adds: "This reflects the financial pressures facing local authorities and higher interest rates on loans from the Public Works Loan Board, their principal source of financing."
- 2.3 The Bank of England's (BoE) Monetary Policy Committee (MPC) announced on 14th December 2023 that it had voted (6-3) to maintain the Base Rate at 5.25%. Notes from the meeting reconfirmed the Committee's primary focus is on achieving the Government's inflation target and that monetary policy would remain "sufficiently restrictive for sufficiently long to return inflation to the 2% target sustainably in the medium term".
- 2.4 Annual CPI inflation was 3.9% in the year to November 2023, down from 4.6% in October. Underlying "core" inflation also fell, but at a slower rate, with the annual rate standing at 5.1% in November, down from 5.7% in October. The MPC noted a material fall in government bond yields but upside risks to inflation remain given events in the Middle East.
- 2.5 On growth, GDP remained unchanged in Q3 in line with expectations, but weaker than the positive growth that had been recorded during the first half of the year and was expected to remain flat in Q4. The fiscal measures in the Autumn Statement, including the 2p cut in the main rate of employee NI contributions, are provisionally estimated to increase the level of GDP by around 0.25% over the coming years.
- 2.6 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.
- 2.7 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 2024 budget will provide an indication of any possible funding boost (however unlikely) or funding shift to local government 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 2024/2025, 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 2024, as part of the Provisional Local Government Finance Settlement 2024/2025, the Government provided details of their assumptions on CSP for 2024/2025.

|   | 2023/24        | 2024/25        | 2024/25       | 2024/25     |
|---|----------------|----------------|---------------|-------------|
|   | £m             | £m             | Change<br>£m  | Change<br>% |
| Settlement Funding Assessment                                 | 121.554        | 127.813        | 6.259         | 5.1%        |
| Compensation for under-indexing the business rates multiplier | 15.174         | 17.759         | 2.585         | 17.0%       |
| Council tax requirement excluding parish precepts             | 120.523        | 127.976        | 7.453         | 6.2%        |
| Improved Better Care Fund                                     | 18.684         | 18.684         | 0.000         | 0.0%        |
| New Homes Bonus   | 1.183          | 1.019          | (0.164)       | -13.9%      |
| Social Care Grant <sup>4</sup>                                | 29.337         | 35.066         | 5.729         | 19.5%       |
| ASC Market Sustainability and Improvement Fund                | 3.671          | 6.859          | 3.188         | 86.8%       |
| ASC Discharge Fund  | 2.619          | 4.366          | 1.747         | 66.7%       |
| Services Grant  | 3.473          | 0.546          | (2.927)       | -84.3%      |
| Grants Rolled in  | 2.384          | 0.000          | (2.384)       | -100%       |
| <b>Sunderland Core Spending Power</b>                         | <b>318.602</b> | <b>340.088</b> | <b>21.486</b> | <b>6.7%</b> |
| <b>Memorandum National Position</b>                           |                |                |               | <b>6.5%</b> |

3.3 CSP will increase by an average 6.5% nationally in 2024/2025. For Sunderland the increase is 6.7% (based upon a Government assumed Council Tax increase of 4.99%) as shown in the table above. As noted, nationally 53% 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 37.6%.

3.4 For Sunderland there is a 5.1% increase in SFA for 2024/2025. The relatively low percentage increase is as a result of the continued freeze on the small business rates multiplier for 2024/2025 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 new National Non-Domestic Rates ('NNDR') statistical collection Form 1 (budget forecast) to be submitted to Government by 31 January 2024. The increase in Revenue Support Grant is in line with inflation.

### **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 continues 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 continues 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 £49.598m in 2024/2025. Top Up grant is generally increased annually by inflation (September Consumer Price Index).

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 2024/2025 in response to the cost-of-living crisis impact on these sectors.

3.8.2 The Non-Domestic Rating Act 2023 gives ministers the power to set the small and standard business rating multipliers separately from one another. At the November 2023 Autumn Statement, the Chancellor decided to use this new power in 2024/2025 which confirmed the small business multiplier would remain at 49.9p whilst the standard multiplier would increase in line with inflation (6.7%) from 51.2p to 54.6p. The Government will continue to fully compensate councils for any consequential shortfall in income through Section 31 grant for the small business multiplier. 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) 2024/2025 allocation has been frozen at the 2023/2024 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 remained at £291m for 2024/2025. Sunderland's allocation of NHB has reduced from £1.183m in 2023/2024 down to £1.019m in 2024/2025. Previous planning assumptions had been that the Council would not receive any NHB grant in 2024/2025 on the basis that the grant was likely to be phased out. Given the potential phasing out of this grant and the Government's intention to consult on NHB during 2024/2025, future years' assumed allocations have been prudently removed from budget planning from 2025/2026.

#### 3.11 Social Care Grants

3.11.1 As anticipated, Social Care Grant allocations from prior years have been maintained and the previously announced increases in social care grants in 2024/2025 have been confirmed. Some additional funding has been received reflecting the equalisation of this funding (to take into account that councils can raise different amounts of funding through Council Tax). The Adult Social Care Workforce Fund confirmed in July 2023 (£1.339m for 2024/2025) will be rolled into the larger Adult Social Care Market Sustainability and Improvement Fund grant in 2024/2025, which implies that this funding will continue into 2025/2026. The Council's medium-term planning assumptions have been updated to take account of this change.

#### 3.12 Services Grant

3.12.1 In recognition of the service delivery cost pressures facing councils, a new Services Grant totalling £822m nationally was announced for 2022/2023 but subsequently reduced to £483m in 2023/24. This national grant allocation has been significantly reduced again in 2024/2025 to £77m to fund increases elsewhere in the Settlement, this includes funding to support equalisation of the social care grant but also to fund the minimum funding guarantee to ensure that each council receives at least a 3% increase in CSP. The minimum funding guarantee mainly benefits district councils but also a small number of county councils. Sunderland's Services Grant allocation has reduced from £3.336m in 2023/2024 down to £0.546m in 2024/2025. It is likely that the Services Grant will be removed from 2025/2026 and therefore the budget planning has been updated accordingly.

### 3.13 Public Health Grant

3.13.1 The 2021 Spending review did indicate Public Health grant funding will be maintained in real terms, indicating an inflationary based increase, but this has not proved to be the case. Indicative Public Health grant allocations have already been announced. The indicative increase in allocations is only 1.36% (total funding of £3.527bn in 2023/2024 and £3.575bn in 2024/2025) with the Council's indicative allocation increasing from £25.967m in 2023/2024 to £26.320m in 2024/2025. The budget planning has been updated with the indicative allocations and will be reviewed as required when the final grant allocation for 2024/2025 is confirmed.

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

3.14.1 Notification of the Housing Benefits and Council Tax Administration grants, comes outside of the settlement. For 2024/2025 the grant allocation has reduced by £0.077m (6.7%) and the MTFP has been updated to reflect the reduction to the Grant.

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

3.15.1 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.

3.15.2 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 and has yet to recommence in earnest. As and when more details emerge, the MTFP will be updated accordingly.

## **Locally Raised Income**

### **3.16 Council Tax**

3.16.1 In the Settlement, the Government confirmed the referendum threshold from April 2024, 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.

3.16.2 The Council Tax base for 2024/2025 has increased from 2023/2024 primarily due to an anticipated reduced uptake of the Local Council Tax Support Scheme during 2024/2025 and also increases in house building across the City.

### **3.17 Local Council Tax Support Scheme**

3.17.1 The current Local Council Tax Support Scheme was introduced in 2013/2014, with only minor changes since that time. The scheme supports Council Tax payers in need of financial help within the scheme's parameters. The main feature of the current scheme is that working age people who receive help pay a minimum of 8.5% of their council tax bill whilst those of a pension age are protected in line with the prescribed regulations.

### **3.18 Schools Funding**

3.18.1 Cabinet agreed in January to the principles proposed by the Sunderland Schools Forum for the 2024/2025 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 NFF to be implemented with the following local adjustments:
  - Minimum Funding Guarantee MFG applied at 0.5% in line with NFF value; a transfer of 0.5% (c. £1m) to the High Needs Block in recognition of ongoing pressures.
  - The Basic Entitlement factor set at reduced rates of £3,540.67 per Primary Pupil (NFF £3,562), £5,000.67 per Key stage 3 pupil (NFF £5,022) and £5,639.67 per Key Stage 4 pupil (NFF £5,661).

All other factors are in line with the NFF.

## **4 Spending Pressures and Commitments**

4.1 Spending pressures and commitments for 2024/2025 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, was 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 at least October 2025, will subsequently be funded.
- 4.5 The cost pressures and commitments across the MTFP period are summarised below:

|   | 2024/25       | 2025/26       | 2026/27       | 2027/28       | Total          |
|---|---------------|---------------|---------------|---------------|----------------|
|   | £m            | £m            | £m            | £m            | £m             |
| <b>Spending Pressures and Commitments</b>                                 |               |               |               |               |                |
| Pay   | 9.527         | 4.171         | 4.283         | 4.399         | <b>22.380</b>  |
| Energy  | (2.597)       | 0.500         | 0.500         | 0.500         | <b>(1.097)</b> |
| Other Price and Contract Inflation<br>(inc. Social Care Demand Pressures) | 14.682        | 8.977         | 9.809         | 9.727         | <b>43.195</b>  |
| Transport Levy  | 0.559         | 0.500         | 0.500         | 0.500         | <b>2.059</b>   |
| Other Service Pressures   | 1.196         | (0.266)       | 0.000         | 0.000         | <b>0.930</b>   |
| Capital Financing   | 5.130         | 3.000         | 3.000         | 1.200         | <b>12.330</b>  |
| Pensions Actuarial Review   | 0.000         | 0.000         | 2.000         | 0.000         | <b>2.000</b>   |
| <b>Total Spending Pressures and Commitments</b>                           | <b>28.497</b> | <b>16.882</b> | <b>20.092</b> | <b>16.326</b> | <b>81.797</b>  |

## 5 Summary Overall Budget Gap 2024/2025 to 2027/2028

- 5.1 In relation to the period beyond 2024/2025, 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 Based on high level assumptions, the on-going funding gap excluding any assumed increase for Council Tax for 2025/2026 to 2027/2028 is in the region of £59.707m. However, this position is subject to change given the significant uncertainties in the funding system at present.
- 5.3 As reported to Cabinet in December 2023 and subsequently in January 2024, plans of £6.673m have been developed to seek to address the funding gap in 2024/2025. Further detail on the savings plans is set out in Appendix A of the Budget report.

|                                       | 2024/25      | 2025/26       | 2026/27       | 2027/28       | Total           |
|---------------------------------------|--------------|---------------|---------------|---------------|-----------------|
|                                       | £m           | £m            | £m            | £m            | £m              |
| Spending Pressures and Commitments    | 28.497       | 16.882        | 20.092        | 16.326        | <b>81.797</b>   |
| Previously Approved Savings Proposals | (0.179)      | 0.086         | 1.778         | 0.000         | <b>1.685</b>    |
| Government Grant Change               | (15.633)     | 0.559         | (1.027)       | (1.048)       | <b>(17.149)</b> |
| 2024/25 Savings Proposals             | (6.673)      | (0.353)       | 0.000         | 0.400         | <b>(6.626)</b>  |
| <b>Gross Funding Gap</b>              | <b>6.012</b> | <b>17.174</b> | <b>20.843</b> | <b>15.678</b> | <b>59.707</b>   |

## 6 Addressing the Budget Gap and Efficiency Strategy 2024/2025 to 2027/2028

6.1 In addition, the following table shows that:

- Council tax and Social Care Precept increases in line with the current budget planning assumption of 4.99% for 2024/2025 and 2.99% in subsequent years would generate further resources to support the budget position over the four years to 2027/2028. 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 £44.691m for the period to 2027/2028.

|   | 2024/25      | 2025/26       | 2026/27       | 2027/28       | Total           |
|---|--------------|---------------|---------------|---------------|-----------------|
|   | £m           | £m            | £m            | £m            | £m              |
| Gross Funding Gap   | 6.012        | 17.174        | 20.843        | 15.678        | <b>59.707</b>   |
| Collection Fund Impact  | (6.012)      | (5.585)       | (6.120)       | (6.299)       | <b>(24.016)</b> |
| <b>Current MTFP Gap</b>   | <b>0.000</b> | <b>11.589</b> | <b>14.723</b> | <b>9.379</b>  | <b>35.691</b>   |
| Decrease / (Increase) in use of MTFP Reserve                                  | 0.000        | 0.000         | 1.400         | 7.600         | <b>9.000</b>    |
| <b>Current MTFP Gap after agreed use of reserves and Council Tax increase</b> | <b>0.000</b> | <b>11.589</b> | <b>16.123</b> | <b>16.979</b> | <b>44.691</b>   |

6.2 The Council's approach to delivering the savings requirement is encapsulated in the Efficiency Strategy 2024/2025 to 2027/2028 (attached as Appendix Gi).

6.3 Further updates on the Efficiency Strategy will be provided to Cabinet in light of the emerging funding framework and the MTFP 2024/2025 to 2027/2028 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 2024/2025 to 2027/2028 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 2024/2025 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 2024 and 31<sup>st</sup> March 2025 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 G. 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 2024/2025 included a consultation exercise that concluded on 7<sup>th</sup> January 2024. 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 2024/2025 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 2027/2028 in the region of £44.691m, 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 2027/2028 to be agreed.



## **Efficiency Strategy 2024/2025 to 2027/2028**

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 previous 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 2022, Autumn Statement 2023, 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 2024/2025.

### **1 Purpose**

- 1.1 The Efficiency Strategy 2024/2025 to 2027/2028 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 £59.707m through to 2027/2028.

After taking into account assumed increases to council tax, additional ongoing savings or additional funding of £44.691m are estimated to be required over the period to 2027/2028 in order to achieve a balanced position.

- 4.2 The Revenue Budget and Proposed Council Tax for 2024/2025 report to January 2024 Cabinet includes proposals to meet the funding gap for 2024/2025. Section 5 below sets out the approach to develop a full suite of proposals to meet the remaining funding gap through to 2027/2028.
- 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 our residents and 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 residents' 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;
- Improving 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.

#### 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 is assumed to be 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 developments at Potters Hill 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 2027/2028, 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 2024/2025 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's 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 2023. 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 2024/2025 to 2027/2028 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 including those that will become available through the North East Mayoral Combined Authority.
- 5.6.4 Recent external funding approvals have been secured for the following regeneration projects and programmes, 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 Energy Security and Net Zero 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;
  - £5.08m from the Brownfield Land Release Fund to support the unlocking of three priority housing developments at West Park, Farringdon Row and Cricketer's Hill (Carley Hill);

- £3.16m capital grant to support Sunderland's UK Shared Prosperity Fund (UKSPF) Investment Plan, enabling a variety of capital investments to take place across the city in 2023/2024 and 2024/2025; and
- £5.5m funding from government to support acquisition and preparatory work for the Studio Development project.

5.6.5 A range of capital funds have also been secured for projects which support delivery of the city's low carbon objectives, including:

- £2.2m from the Public Sector Decarbonisation Scheme to invest in public sector building energy efficiency measures;
- £2.5m European Regional Development Fund grant to support investment in battery storage, solar PV and electric vehicle charging infrastructure on several Council sites;
- £3.9m secured to support energy efficiency improvements in the worst performing properties (Energy Performance Certificate rated D-F) and fuel poor households in the city;
- £8.1m support through the Active Travel Fund to support priority cycle schemes; and
- £2.2m from the Green Heat Network Fund to support feasibility and development of a city centre heat network.

5.6.6 The Council, working with key public and private partners, has been successful in the last 12 months in securing funding for 3 demonstrator projects to support delivery of the City Plan and the Smart City ambition. These include:

- Sunderland Advanced Mobility Shuttle - £3m external grant secured from Innovate UK, as part of a £5.5m project, to build and trial a self-driving shuttle service to the University of Sunderland City Campus and Sunderland Royal Hospital, via an Intelligent Transport Corridor.
- Sunderland Open Network Ecosystem project - £3.4m funding awarded towards total costs of £5.7m, through the UK Open Networks Research and Development Fund (Department for Science, Innovation and Technology). This consortium project, led by the Council, will aim to showcase a highly efficient, state-of-the-art High-Density Demand (HDD) Open RAN solution at the Stadium of Light and the new British Esports Arena, part of the National Esports Performance Campus in Sunderland.
- 5G Innovation Regions (Department for Science, Innovation and Technology) - £3.7m grant award for a regional partnership project led by the Council and involving our 6 neighbouring North East local authorities. The multi-faceted project will deliver innovative 5G-enabled projects across key sectors including transport and logistics, creative industries and agritech across rural industries.

5.6.7 In 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 grant, with delivery of activities from 2022/2023 to the end of March 2025. The programme supports a wide range of project activities under 3 main investment priorities: (1) Communities and Place; (2) Supporting Local Business; (3) People and Skills. As of January 2024, £2.7m UKSPF capital grant has been allocated supporting 12 projects across the city.



- 5.6.8 Following the announcement in 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 from 2024/2025 including control of a long-term regional investment fund and a City Region Sustainable Transport Settlement. Additional funding has also been confirmed through the Brownfield Housing Fund to support the building of new homes on brownfield land and to drive place-based economic regeneration. A number of Sunderland schemes are currently being developed to accelerate housing delivery.
- 5.6.9 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.
- 5.6.10 The Council is currently undertaking important feasibility and design work to redevelop the Sunderland Museum and Winter Gardens. A development grant award of £0.3m from the National Lottery Heritage Fund has already been secured allowing work to proceed on the preparation of a full design and bid proposal which will be submitted in 2024.
- 5.6.11 As in previous years, resources allocated in respect of Transport, the Better Care Fund and Education specific purpose grants will be allocated to those services areas. These grants, in the main, support recurring capital activity.
- 5.6.12 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 / investment 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 energy efficiency measures that reduce costs and carbon usage. 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)

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 2024/2025.

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 2024/2025 to 2027/2028 and Treasury Management Policy and Strategy 2024/2025 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 2024/2025 to 2027/2028 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 funding for 2024/2025 with forecasts beyond 2024/2025 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 2024/2025. 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 2024/2025 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. Non 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. Investment Interest rates lower than expected / Borrowing rates higher than expected. | Unlikely          | Low           | Regular review, monitoring and reporting on interest rates. Prudent assumptions on likely interest rates for 2024/2025 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 2024/2025; 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 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, Inflation 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.*

Whilst recent geo-political and economic factors have had an impact on the delivery of the capital programme, there remains a risk of higher unplanned costs of delivery which is mitigated 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

| Reserves   | Purpose of the Reserve  | Opening Balance<br>01.04.2023<br>£m | Forecast<br>Movement<br>in 23/24<br>£m | Opening Balance<br>01.04.2024<br>£m | Forecast<br>Movement<br>in 24/25<br>£m | Opening Balance<br>1.04.2025<br>£m | Forecast<br>Movement<br>in 25/26<br>£m | Opening Balance<br>1.04.2026<br>£m | Forecast<br>Movement<br>in 26/27<br>£m | Opening Balance<br>1.04.2027<br>£m | Forecast<br>Movement<br>in 27/28<br>£m | Opening Balance<br>1.04.2028<br>£m |
|--|---|-------------------------------------|--|-------------------------------------|--|------------------------------------|--|------------------------------------|--|------------------------------------|--|------------------------------------|
| <b>General Fund</b>                              |   |                                     |  |                                     |  |                                    |  |                                    |  |                                    |  |                                    |
| General Fund                                     | General Fund of the Council   | 12.000                              | 0.000                                  | 12.000                              | 0.000                                  | 12.000                             | 0.000                                  | 12.000                             | 0.000                                  | 12.000                             | 0.000                                  | 12.000                             |
| 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                              | (1.500)                                | 0.131                              |
| <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                              | 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                              | 0.000                                  | 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                              | (1.800)                                | 6.974                              |
| 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                              | 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                              | 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                              | 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                              | (0.239)                                | 1.846                              |

| Reserves  | Purpose of the Reserve   | Opening Balance<br>01.04.2023<br>£m | Forecast<br>Movement<br>in 23/24<br>£m | Opening Balance<br>01.04.2024<br>£m | Forecast<br>Movement<br>in 24/25<br>£m | Opening Balance<br>1.04.2025<br>£m | Forecast<br>Movement<br>in 25/26<br>£m | Opening Balance<br>1.04.2026<br>£m | Forecast<br>Movement<br>in 26/27<br>£m | Opening Balance<br>1.04.2027<br>£m | Forecast<br>Movement<br>in 27/28<br>£m | Opening Balance<br>1.04.2028<br>£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                              | 0.000                                  | 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                              | (0.300)                                | 6.177                              |
| 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                              | 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                              | 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                              | (0.699)                                | 0.619                              |
| 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                              | (1.000)                                | 0.374                              |
| 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                              | 0.000                                  | 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                              | (0.500)                                | 1.694                              |
| 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                              | 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                              | 0.000                                  | 3.109                              |

| Reserves                              | Purpose of the Reserve  | Opening Balance 01.04.2023 | Forecast Movement in 23/24 | Opening Balance 01.04.2024 | Forecast Movement in 24/25 | Opening Balance 1.04.2025 | Forecast Movement in 25/26 | Opening Balance 1.04.2026 | Forecast Movement in 26/27 | Opening Balance 1.04.2027 | Forecast Movement in 27/28 | Opening Balance 1.04.2028 |
|---------------------------------------|---|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|----------------------------|---------------------------|
|                                       |   | £m                         | £m                         | £m                         | £m                         | £m                        | £m                         | £m                        | £m                         | £m                        | £m                         | £m                        |
| 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                     | 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                     | (0.100)                    | 1.824                     |
| 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)                   | 0.000                      | (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                     | 0.000                      | 0.458                     |
| 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. | 1.296                      | (0.250)                    | 1.046                      | (0.250)                    | 0.796                     | (0.250)                    | 0.546                     | (0.250)                    | 0.296                     | (0.250)                    | 0.046                     |
| 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                      | (0.500)                    | 0.700                      | (0.200)                    | 0.500                     | (0.200)                    | 0.300                     | (0.200)                    | 0.100                     | (0.100)                    | 0.000                     |
| 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                     | (0.105)                    | 0.462                     |
| 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                     | (0.204)                    | 0.370                     |
| 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                     | 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                     | 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                            | 0.000                             | 0.000                            |
|------------------------------------|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|
| <b>Reserves</b>                    | <b>Purpose of the Reserve</b>   | <b>Opening Balance 01.04.2023</b> | <b>Forecast Movement in 23/24</b> | <b>Opening Balance 01.04.2024</b> | <b>Forecast Movement in 24/25</b> | <b>Opening Balance 1.04.2025</b> | <b>Forecast Movement in 25/26</b> | <b>Opening Balance 1.04.2026</b> | <b>Forecast Movement in 26/27</b> | <b>Opening Balance 1.04.2027</b> | <b>Forecast Movement in 27/28</b> | <b>Opening Balance 1.04.2028</b> |
|                                    |   | £m                                | £m                                | £m                                | £m                                | £m                               | £m                                | £m                               | £m                                | £m                               | £m                                | £m                               |
| Other Earmarked Revenue Reserves   | Numerous small revenue reserves less than £1m which are set up for specific purposes. | 20.562                            | (5.230)                           | 15.332                            | (5.221)                           | 10.111                           | (2.576)                           | 7.535                            | (1.157)                           | 6.378                            | (0.199)                           | 6.179                            |
| <b>Total General Fund Reserves</b> |   | <b>197.231</b>                    | <b>(45.291)</b>                   | <b>151.940</b>                    | <b>(39.267)</b>                   | <b>112.673</b>                   | <b>(34.437)</b>                   | <b>78.236</b>                    | <b>(19.856)</b>                   | <b>58.380</b>                    | <b>(6.996)</b>                    | <b>51.384</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                            | 0.000                             | 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                            | 0.000                             | 0.000                            |
| <b>Total Usable Reserves</b>       |   | <b>213.675</b>                    | <b>(53.602)</b>                   | <b>160.073</b>                    | <b>(41.649)</b>                   | <b>118.424</b>                   | <b>(35.998)</b>                   | <b>82.426</b>                    | <b>(24.046)</b>                   | <b>58.380</b>                    | <b>(6.996)</b>                    | <b>51.384</b>                    |

REVENUE ESTIMATES 2024/2025  
GENERAL SUMMARY

# REVENUE BUDGET 2024/2025

**REVENUE ESTIMATES 2024/2025  
GENERAL SUMMARY**

| <b>Revised<br/>Estimate<br/>2023/24</b> |   | <b>Estimate<br/>2024/25</b> |
|---|---|-----------------------------|
| <b>£</b>                                |   | <b>£</b>                    |
| 346,365                                 | Leader  | 364,865                     |
| 46,343,666                              | Deputy Leader and Green City                                  | 46,761,501                  |
| 27,578,982                              | Cabinet Secretary   | 25,763,091                  |
| 84,404,073                              | Children, Learning and Skills                                 | 89,362,138                  |
| 15,474,779                              | Vibrant City  | 15,460,904                  |
| 125,381,480                             | Healthy City  | 133,543,566                 |
| 27,851,134                              | Dynamic City  | 30,042,188                  |
| 7,256,414                               | Provision for Contingencies                                   | 15,279,097                  |
|   | Capital Financing Costs                                       |                             |
| 28,654,318                              | - Debt Charges  | 34,284,318                  |
| (580,000)                               | - Interest on balances  | (1,080,000)                 |
| (1,253,000)                             | - Interest on Airport long term loan notes                    | (1,253,000)                 |
|   | Transfer to/(from) Reserves                                   |                             |
| (9,000,394)                             | - Use of Medium-Term Planning Smoothing Reserve               | (9,000,394)                 |
| (373,905)                               | - Collection Fund Surplus Reserve                             | 589,330                     |
| (40,155,135)                            | Technical Adjustments: IAS19 and Reversal of Capital Charges  | (42,758,702)                |
| <b>311,928,777</b>                      |   | <b>337,358,902</b>          |
|   | <b>Levies</b>   |                             |
| 16,515,580                              | North East Combined Authority Transport Levy                  | 17,076,609                  |
| 232,283                                 | Environment Agency  | 236,985                     |
| 76,587                                  | North East Inshore Fisheries Conservation Authority           | 85,395                      |
| <b>16,824,450</b>                       |   | <b>17,398,989</b>           |
|   | <b>Less Grants</b>  |                             |
| 18,683,789                              | Improved Better Care Fund                                     | 19,219,789                  |
| 29,337,386                              | Social Care Support Grant                                     | 38,332,464                  |
| 22,812,090                              | Section 31 Grants – Business Rates                            | 25,717,216                  |
| 1,183,025                               | New Homes Bonus   | 1,019,197                   |
| 13,781                                  | Inshore Fisheries Conservation Authority                      | 13,781                      |
| 3,335,610                               | Services Grant  | 599,529                     |
| 3,671,212                               | Adult Social Care Market Sustainability and Improvement Fund  | 6,859,027                   |
| 2,619,438                               | Adult Social Care Discharge Grant                             | 4,365,730                   |
| <b>247,096,896</b>                      | <b>TOTAL NET EXPENDITURE / LOCAL BUDGET REQUIREMENT</b>       | <b>258,631,158</b>          |
|   |   |                             |
| 72,360                                  | Hetton Town Council   | 74,783                      |
| <b>247,169,256</b>                      | <b>TOTAL BUDGET REQUIREMENT</b>                               | <b>258,705,941</b>          |
|   | <b>Less Grants and NNDR</b>                                   |                             |
| 32,471,017                              | Revenue Support Grant   | 34,621,763                  |
| 46,924,948                              | National Non-Domestic Rates - Retained Business Rates         | 46,399,104                  |
| 47,189,638                              | Top up Grant  | 49,598,292                  |
| <b>126,585,603</b>                      |   | <b>130,619,159</b>          |
| <b>120,583,653</b>                      | <b>LOCAL COUNCIL TAX REQUIREMENT INCLUDING PARISH PRECEPT</b> | <b>128,086,782</b>          |
| <b>120,523,138</b>                      | <b>LOCAL COUNCIL TAX REQUIREMENT EXCLUDING PARISH PRECEPT</b> | <b>128,023,844</b>          |



## CONTINGENCIES 2024/2025

|  | £m            |
|--|---------------|
| Pay and Cost Pressures                       | 11.370        |
| General Contingency                          | 1.500         |
| Winter Maintenance                           | 0.300         |
| Economic Downturn / Cost of Living Pressures | 2.109         |
| <b>Total Contingency</b>                     | <b>15.279</b> |

## STATEMENT OF GENERAL BALANCES

|  | £m            |
|--|---------------|
| <b>Balances 31st March 2023</b>  | <b>12.000</b> |
| <b>Use / Addition to Balances 2023/2024</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> |
| <b>Use / Addition to Balances 2024/2025</b>  |               |
| <b>Use of Balances 2024/2025</b>   |               |
| - Contribution to Revenue Budget   | (9.000)       |
| <b>Addition to Balances 2024/2025</b>  |               |
| - Transfer from Medium Term Planning Smoothing Reserve to support the 2024/2025 budget | 9.000         |
| <b>Estimated Balances 31st March 2025</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 ensure that the Council's strategy and the services it delivers for the City are shaped by evidence and engagement with residents, business, partners and communities.
- To ensure that the Council's strategy and the services it delivers are well communicated with residents, businesses, partners and communities.
- 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 strategy and corporate affairs.
- To provide political leadership in relation to safer communities.
- To undertake the role of Armed Forces Champion for the Council.

**FINANCIAL SUMMARY**

| Ref.                                  | Assistant Director Ref. | Revised Estimate 2023/2024<br>£ |  | Estimate 2024/2025<br>£ |
|---------------------------------------|-------------------------|---------------------------------|--|-------------------------|
| <b>City Development</b>               |                         |                                 |  |                         |
| 1                                     | EDC                     | 200,000                         | Inward Investment                                    | 200,000                 |
| 2                                     | ADRS                    | 620,036                         | Safer Communities                                    | 622,476                 |
|                                       |                         | <b>820,036</b>                  | <b>Total City Development</b>                        | <b>822,476</b>          |
| <b>Strategy and Corporate Affairs</b> |                         |                                 |  |                         |
| 3                                     | DSCA                    | 1,475,615                       | Strategy and Corporate Affairs                       | 1,687,172               |
| 4                                     | DSCA                    | 216,199                         | Local Strategic Partnership                          | 19,110                  |
| 5                                     | DSCA                    | 236,505                         | Policy and Partnerships                              | 564,556                 |
|                                       |                         | <b>1,928,319</b>                | <b>Total Strategy and Corporate Affairs</b>          | <b>2,270,838</b>        |
|                                       |                         | <b>2,748,355</b>                | <b>TOTAL DELEGATED BUDGET</b>                        | <b>3,093,314</b>        |
| <b>Non Delegated Budgets</b>          |                         |                                 |  |                         |
| 6                                     |                         | (2,517)                         | IAS19 (Pensions)                                     | 14,131                  |
| 7                                     |                         | 683,622                         | Support Service Costs - received from other services | 678,437                 |
| 8                                     |                         | (3,102,871)                     | Support Service Costs - charged to other services    | (3,438,523)             |
| 9                                     |                         | 19,776                          | Asset Charges  | 17,506                  |
|                                       |                         | <b>346,365</b>                  | <b>TOTAL PORTFOLIO BUDGET</b>                        | <b>364,865</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**

**REVENUE BUDGET 2024/2025  
LEADER**

**APPENDIX J**

|      |  |
|------|--|
| 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 SUMMARY**

| Ref.                          | Assistant Director Ref. | Revised Estimate 2023/2024<br>£ |  | Estimate 2024/2025<br>£ |
|-------------------------------|-------------------------|---------------------------------|--|-------------------------|
| <b>City Development</b>       |                         |                                 |  |                         |
| 1                             | ADER                    | 1,232,249                       | Business and Investment                              | 1,072,062               |
| 2                             | ADER                    | 176,484                         | Business Development                                 | 176,484                 |
| 3                             | ADER                    | 1,093,737                       | Carbon Reduction                                     | 1,093,737               |
| 4                             | PD                      | 396,202                         | Port of Sunderland*                                  | 444,663                 |
| 5                             | ADRS                    | 2,109,357                       | Public Protection and Regulatory Services            | 2,123,525               |
| 6                             | EDCD                    | 371,022                         | Strategic Management                                 | 371,022                 |
| 7                             | ADER                    | 0                               | UK Shared Prosperity Fund                            | 0                       |
|                               |                         | <u>5,379,051</u>                | <b>Total City Development</b>                        | <u>5,281,493</u>        |
| <b>Environmental Services</b> |                         |                                 |  |                         |
| 8                             | DES                     | (2,193,124)                     | Bereavement  | (2,387,794)             |
| 9                             | DES                     | 520,183                         | Environmental Services – Technical                   | 520,183                 |
| 10                            | DES                     | 4,317,652                       | Fleet  | 4,003,925               |
| 11                            | DES                     | 10,254,746                      | Local Services                                       | 10,181,245              |
| 12                            | DES                     | 3,551,599                       | Waste Collection and Recycling                       | 3,557,004               |
| 13                            | DES                     | 14,943,444                      | Waste Disposal*                                      | 15,970,474              |
|                               |                         | <u>31,394,500</u>               | <b>Total Environmental Services</b>                  | <u>31,845,037</u>       |
|                               |                         | <u>36,773,551</u>               | <b>TOTAL DELEGATED BUDGET</b>                        | <u>37,126,530</u>       |
| <b>Non Delegated Budgets</b>  |                         |                                 |  |                         |
| 14                            |                         | (25,806)                        | IAS19 (Pensions)                                     | 127,318                 |
| 15                            |                         | 12,115,215                      | Support Service Costs - received from other services | 11,544,421              |
| 16                            |                         | (8,535,782)                     | Support Service Costs - charged to other services    | (8,172,885)             |
| 17                            |                         | 6,016,488                       | Asset Charges  | 6,136,117               |
|                               |                         | <u>46,343,666</u>               | <b>TOTAL PORTFOLIO BUDGET</b>                        | <u>46,761,501</u>       |

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 2024/2025  
CABINET SECRETARY**

**APPENDIX J**

**FINANCIAL SUMMARY**

| <b>Ref.</b>                               | <b>Assistant Director Ref.</b> | <b>Revised Estimate 2023/2024<br/>£</b> |  | <b>Estimate 2024/2025<br/>£</b> |
|---|--------------------------------|---|--|---------------------------------|
| <b>City Development</b>                   |                                |   |  |                                 |
| 1   | DDC                            | (200,924)                               | Capital Projects Team                                | (200,924)                       |
| 2   | DDR                            | 3,716,216                               | Civic Buildings – City Hall                          | 3,977,035                       |
|   |                                | <b>3,515,292</b>                        | <b>Total City Development</b>                        | <b>3,776,111</b>                |
| <b>Finance</b>                            |                                |   |  |                                 |
| 3   | ADAPS                          | 330,915                                 | Area Facilities                                      | 272,233                         |
| 4   | ADAPS                          | 881,393                                 | Asset Management                                     | 875,479                         |
| 5   | ADAPS                          | 1,711,591                               | Audit, Risk and Insurance                            | 1,332,237                       |
| 6   | DF                             | 391,622                                 | Benefits Service                                     | 568,622                         |
| 7   | ADAPS                          | 1,387,342                               | Building Cleaning                                    | 1,405,917                       |
| 8   | ADAPS                          | 136,110                                 | Property Services Operations*                        | 84,565                          |
| 9   | ADAPS                          | 1,141,175                               | Civic Buildings*                                     | 683,586                         |
| 10  | ADAPS                          | 55,849                                  | Civic Catering                                       | 55,849                          |
| 11  | ADAPS                          | 168,617                                 | Civil Contingencies                                  | 168,617                         |
| 12  | DF                             | 1,018,948                               | Corporate and Strategic Management                   | 868,948                         |
| 13  | ADAPS                          | 148,247                                 | Data Protection Office                               | 147,801                         |
| 14  | ADAPS                          | 1,148,169                               | Depots   | 1,023,961                       |
| 15  | DF                             | 2,332,579                               | Financial Management                                 | 2,329,922                       |
| 16  | ADAPS                          | 402,124                                 | Health and Safety                                    | 401,294                         |
| 17  | DF                             | 2,862,590                               | Local Enterprise Partnership                         | 2,170,405                       |
| 18  | ADAPS                          | (701,413)                               | Miscellaneous Land, Property, and Industrial Estates | (904,608)                       |
| 19  | ADAPS                          | 542,720                                 | Procurement  | 500,281                         |
| 20  | ADAPS                          | 173,271                                 | Public Conveniences                                  | 170,404                         |
| 21  | ADAPS                          | 2,079,340                               | Repairs and Renewals                                 | 2,079,340                       |
| 22  | ADAPS                          | (233,581)                               | Retail Market  | (236,102)                       |
| 23  | DF                             | 1,396,207                               | Revenues   | 1,503,428                       |
| 24  | ADAPS                          | 479,785                                 | School Meals   | 279,785                         |
| 25  | ADAPS                          | 1,165,556                               | Security Services                                    | 1,216,530                       |
|   |                                | <b>19,019,156</b>                       | <b>Total Finance</b>                                 | <b>16,998,494</b>               |
| <b>Smart Cities and Enabling Services</b> |                                |   |  |                                 |
| 26  | ADLG                           | 129,642                                 | Complaints   | 129,642                         |
| 27  | ADLG                           | 901,487                                 | Coroners Court                                       | 839,814                         |
| 28  | DSC                            | 4,418,275                               | Corporate Services Support                           | 4,339,264                       |
| 29  | DSC                            | 2,388,754                               | Customer Service Network                             | 2,220,668                       |
| 30  | ADLG                           | 1,259,369                               | Democratic Core                                      | 1,259,669                       |
| 31  | ADLG                           | 658,365                                 | Electoral Services                                   | 646,052                         |
| 32  | ADLG                           | 396,427                                 | Governance Services                                  | 360,912                         |
| 33  | DSC                            | 6,660,326                               | ICT  | 7,159,399                       |
| 34  | DSC                            | (161,689)                               | Information Governance                               | (161,689)                       |
| 35  | ADLG                           | 1,034,425                               | Legal Services                                       | 1,014,700                       |
| 36  | ADLG                           | 556,207                                 | Member Support                                       | 506,207                         |
| 37  | ADLG                           | (114,137)                               | Registrars   | (113,976)                       |
| 38  | DSC                            | 1,084,964                               | Strategic and Operational HR                         | 1,083,518                       |
| 39  | DSC                            | 710,053                                 | Transformational Change Team                         | 686,863                         |
|   |                                | <b>19,922,468</b>                       | <b>Total Smart Cities and Enabling Services</b>      | <b>19,971,043</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>42,501,742</b>                       | <b>TOTAL DELEGATED BUDGET</b>                        | <b>40,790,474</b>               |

**REVENUE BUDGET 2024/2025  
CABINET SECRETARY**

**APPENDIX J**

| <b>Non Delegated Budgets</b> |                   |  |                   |
|------------------------------|-------------------|--|-------------------|
| 41                           | (45,138)          | IAS19 (Pensions)                                     | 225,943           |
| 42                           | 27,621,462        | Support Service Costs - received from other services | 26,392,386        |
| 43                           | (48,986,408)      | Support Service Costs - charged to other services    | (46,962,563)      |
| 44                           | 6,487,324         | Asset Charges  | 5,316,851         |
|                              | <u>27,578,982</u> | <b>TOTAL PORTFOLIO BUDGET</b>                        | <u>25,763,091</u> |

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 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 SUMMARY**

| Ref.  | Assistant Director Ref. | Revised Estimate 2023/2024<br>£ |  | Estimate 2024/2025<br>£ |
|---|-------------------------|---------------------------------|--|-------------------------|
| <b>Children’s Services and Together for Children Educational Attainment and Lifelong Learning</b> |                         |                                 |  |                         |
| 1   | DCS                     | 47,327,525                      | DSG and Other Grant – Schools                              | 49,923,063              |
| 2   | DCS                     | 824,262                         | DSG and Other Grant – Central School Services              | 912,738                 |
| 3   | DCS                     | 19,917,452                      | DSG Early Years Block                                      | 29,883,611              |
| 4   | DCS                     | 34,294,920                      | DSG High Needs Block                                       | 35,765,173              |
| 5   | DCS                     | (102,947,159)                   | DSG and Other School Grants                                | (117,067,585)           |
| 6   | DCS                     | 1,926,695                       | Retained Activity – Schools and Learning                   | 1,867,966               |
|   |                         | <b>1,343,695</b>                | <b>Total Educational Attainment and Lifelong Learning</b>  | <b>1,284,966</b>        |
| 7   | DCS                     | 46,904                          | Director of Children’s Services                            | 46,904                  |
| 8   | DCS                     | (77,353)                        | Learning and Skills  | (77,353)                |
| 9   | DCS                     | 73,437                          | Sunderland Safeguarding Children’s Board                   | 0                       |
| 10  | DF                      | 75,846,268                      | Together for Children                                      | 82,000,287              |
| 11  | DCS                     | 373,612                         | Trading Operations – Derwent Hill*                         | 290,143                 |
|   |                         | <b>76,262,868</b>               | <b>Total Children’s Services and Together for Children</b> | <b>82,259,981</b>       |
|   |                         | <b>77,606,563</b>               | <b>TOTAL DELEGATED BUDGET</b>                              | <b>83,544,947</b>       |
| <b>Non Delegated Budgets</b>  |                         |                                 |  |                         |
| 12  |                         | (27,004)                        | IAS19 (Pensions)   | 125,614                 |
| 13  |                         | 530,647                         | Support Service Costs - received from other services       | 508,356                 |
| 14  |                         | (270,471)                       | Support Service Costs - charged to other services          | (256,894)               |
| 15  |                         | 6,564,338                       | Asset Charges  | 5,440,115               |
|   |                         | <b>84,404,073</b>               | <b>TOTAL PORTFOLIO BUDGET</b>                              | <b>89,362,138</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 position Sunderland and it's offer to residents and visitors well, encouraging take up.
- To provide political leadership to the Council's approach to Area/Community and Cultural Partnerships.
- 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.

Policy Oversight to include:

- Communities and Culture functions, including tourism and heritage.

**FINANCIAL SUMMARY**

| Ref.                                   | Assistant Director Ref. | Revised Estimate 2023/2024<br>£ |  | Estimate 2024/2025<br>£ |
|--|-------------------------|---------------------------------|--|-------------------------|
| <b>City Development</b>                |                         |                                 |  |                         |
| 1                                      | ADER                    | 778,730                         | Libraries  | 760,427                 |
| 2                                      | ADER                    | 190,868                         | Arts and Creative Development                        | 152,572                 |
| 3                                      | ADRS                    | 1,130,220                       | Environmental Enforcement                            | 1,139,805               |
| 4                                      | ADRS                    | 741,907                         | Events   | 707,215                 |
| 5                                      | ADER                    | 206,615                         | Heritage   | 207,114                 |
| 6                                      | ADER                    | 1,472,893                       | Museums and Archives Services                        | 1,869,327               |
| 7                                      | ADER                    | (18,205)                        | Resorts  | (18,205)                |
| 8                                      | ADER                    | 409,214                         | Theatre  | 436,849                 |
|  |                         | <b>4,912,242</b>                | <b>Total City Development</b>                        | <b>5,255,104</b>        |
| <b>Health, Housing and Communities</b> |                         |                                 |  |                         |
| 9                                      | ADHC                    | 911,336                         | Area Arrangements                                    | 911,336                 |
| 10                                     | EDHHC                   | 1,249,396                       | Community Sports and Physical Activity Development   | 1,491,405               |
| 11                                     | EDHHC                   | 1,118,221                       | Sport and Leisure Facilities                         | 1,118,221               |
| 12                                     | ADHC                    | 2,256,666                       | Strategic Initiative Budget / Community Chest Grant  | 2,256,666               |
| 13                                     | ADHC                    | 530,096                         | Welfare Reform                                       | 530,096                 |
|  |                         | <b>6,065,715</b>                | <b>Total Health, Housing and Communities</b>         | <b>6,307,724</b>        |
| <b>Strategy and Corporate Affairs</b>  |                         |                                 |  |                         |
| 14                                     | DSCA                    | 59,204                          | Tourism  | 59,204                  |
|  |                         | <b>59,204</b>                   | <b>Total Strategy and Corporate Affairs</b>          | <b>59,204</b>           |
|  |                         | <b>11,037,161</b>               | <b>TOTAL DELEGATED BUDGET</b>                        | <b>11,622,032</b>       |
| <b>Non Delegated Budgets</b>           |                         |                                 |  |                         |
| 15                                     |                         | (5,486)                         | IAS19 (Pensions)                                     | 29,505                  |
| 16                                     |                         | 2,116,323                       | Support Service Costs - received from other services | 2,066,964               |
| 17                                     |                         | (727,873)                       | Support Service Costs - charged to other services    | (919,873)               |
| 18                                     |                         | 3,054,654                       | Asset Charges  | 2,662,276               |
|  |                         | <b>15,474,779</b>               | <b>TOTAL PORTFOLIO BUDGET</b>                        | <b>15,460,904</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           |
| 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 SUMMARY

| Ref.  | Assistant Director Ref. | Revised Estimate 2023/2024<br>£ |  | Estimate 2024/2025<br>£ |
|---|-------------------------|---------------------------------|--|-------------------------|
| <b>Adult Services and Sunderland Care and Support</b> |                         |                                 |  |                         |
| 1   | DAS                     | 81,745,791                      | Adult Social Care, including Older People, People with Physical, Learning and Mental Health Disabilities | 91,379,895              |
| 2   | DAS                     | 34,927,380                      | Strategic Commissioning  | 32,929,449              |
|   |                         | <b>116,673,171</b>              | <b>Total Adult Services and Sunderland Care and Support</b>  | <b>124,309,344</b>      |
| <b>Health, Housing and Communities</b>                |                         |                                 |  |                         |
| 3   | EDHHC                   | 205,808                         | Joint Commissioning  | 205,808                 |
| 4   | EDHHC                   | (4,136,246)                     | Public Health  | (4,276,739)             |
| 5   | ADHC                    | 2,166,165                       | Strategic Advice   | 2,325,898               |
| 6   | ADIC                    | 344,971                         | Supporting People  | 348,421                 |
|   |                         | <b>(1,419,302)</b>              | <b>Total Health, Housing and Communities</b>   | <b>(1,396,612)</b>      |
|   |                         | <b>115,253,869</b>              | <b>TOTAL DELEGATED BUDGET</b>  | <b>122,912,732</b>      |
| <b>Non Delegated Budgets</b>                          |                         |                                 |  |                         |
| 7   |                         | 22,001                          | IAS19 (Pensions)   | 153,837                 |
| 8   |                         | 49,888,801                      | Support Service Costs - received from other services   | 52,914,823              |
| 9   |                         | (39,867,394)                    | Support Service Costs - charged to other services  | (42,847,375)            |
| 10  |                         | 84,203                          | Asset Charges  | 409,549                 |
|   |                         | <b>125,381,480</b>              | <b>TOTAL PORTFOLIO BUDGET</b>  | <b>133,543,566</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

|       |   |
|-------|---|
| DAS   | Director of Adult Services                            |
| EDHHC | Executive Director of Health, Housing and Communities |
| ADHC  | Assistant Director of Housing and Communities         |
| ADIC  | Assistant Director of Integrated Commissioning        |

## ROLES AND RESPONSIBILITIES

Primary overview of Dynamic City priorities:

- To provide political leadership to the Council's approach to the priorities of housing, regeneration and planning, 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 SUMMARY

| Ref.                                   | Assistant Director Ref. | Revised Estimate 2023/2024<br>£ |  | Estimate 2024/2025<br>£ |
|--|-------------------------|---------------------------------|--|-------------------------|
| <b>City Development</b>                |                         |                                 |  |                         |
| 1                                      | ADRS                    | 366,147                         | Anti-Social Behaviour                                | 370,169                 |
| 2                                      | ADRS                    | (25,502)                        | Building Control                                     | (33,800)                |
| 3                                      | DDR                     | (5,637,393)                     | Commercial Development                               | (5,671,957)             |
| 4                                      | ADRS                    | (116,005)                       | Development Control                                  | (160,602)               |
| 5                                      | DDC                     | (59,332)                        | Environmental Initiatives                            | (61,832)                |
| 6                                      | ADTI                    | 1,595,651                       | Infrastructure and Transportation*                   | 1,174,632               |
| 7                                      | ADTI                    | (827,974)                       | Parking Services                                     | (883,497)               |
| 8                                      | ADER                    | 777,594                         | Planning Implementation                              | 777,594                 |
| 9                                      | DDR                     | (968,256)                       | Regeneration Properties                              | (843,174)               |
| 10                                     | ADTI                    | 10,329,755                      | Street Lighting*                                     | 9,784,186               |
|  |                         | <b>5,434,685</b>                | <b>Total City Development</b>                        | <b>4,451,719</b>        |
| <b>Health, Housing and Communities</b> |                         |                                 |  |                         |
| 11                                     | ADHC                    | 1,388,666                       | Access to Housing                                    | 1,386,666               |
| 12                                     | ADHC                    | 314,007                         | Domestic Abuse                                       | 314,007                 |
| 13                                     | ADHC                    | 60,073                          | Sunderland Housing Service*                          | 116,475                 |
|  |                         | <b>1,762,746</b>                | <b>Total Health, Housing and Communities</b>         | <b>1,817,148</b>        |
|  |                         | <b>7,197,431</b>                | <b>TOTAL DELEGATED BUDGET</b>                        | <b>6,268,867</b>        |
| <b>Non Delegated Budgets</b>           |                         |                                 |  |                         |
| 14                                     |                         | (15,169)                        | IAS19 (Pensions)                                     | 48,227                  |
| 15                                     |                         | 6,199,051                       | Support Service Costs - received from other services | 6,084,352               |
| 16                                     |                         | 0                               | Support Service Costs - charged to other services    | 0                       |
| 17                                     |                         | 14,469,821                      | Asset Charges  | 17,640,742              |
|  |                         | <b>27,851,134</b>               | <b>TOTAL PORTFOLIO BUDGET</b>                        | <b>30,042,188</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**

|      |  |
|------|--|
| 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                  |



# Developing our City Plan

We are pleased to present the City Plan 2024-2035 which sets out:

Our **vision** for the Sunderland of 2035.

Our **ambitions** for the city and its people. Collectively, the ambitions guide Sunderland's continued transformation into a great place to live, work, achieve and play and where people are proud to belong.

The three key **themes** supporting the delivery of the plan. Under each theme, a number of commitments provide a focus for our services and activities as we work towards realising our ambitions and vision.

An **indicative timeline** setting out the key projects and initiatives we're undertaking in the coming years.

We want to ensure that everything we do has a positive, demonstrable impact on achieving our ambitions and vision, and our activities to deliver the plan are shaped by evidence and data.

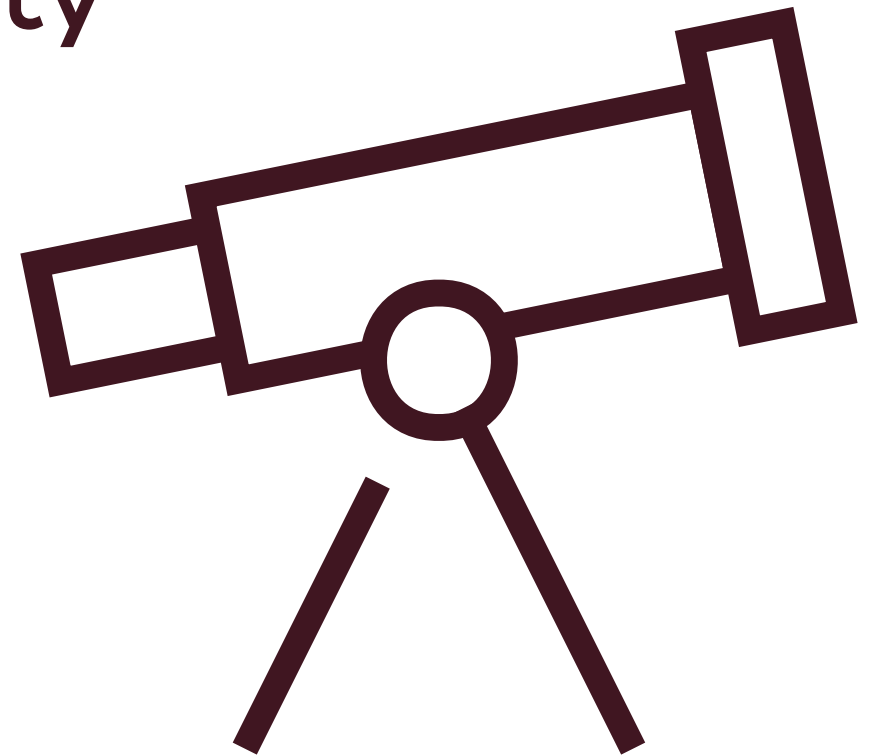
We are therefore developing an Impact Framework that will enable us to plan ahead effectively and report on progress in a meaningful way.

**The Sunderland Partnership**



# Our vision

“Sunderland will be a connected, international city with opportunities for all”





# Our ambitions

Everyone's talent is nurtured - our children and young people are achieving the best outcomes, and whatever your aspiration, you can achieve it in Sunderland





# Our ambitions

Inward investment, job creation and high performing businesses and employers create opportunities for all residents of the city, with Sunderland making a significant contribution to the UK's economic growth





# Our ambitions

People live healthier, longer lives - health and wellbeing outcomes are significantly improved and life is better because we live in Sunderland, rather than any other place





# Our ambitions

Sunderland is a place recognised for its natural assets; the city has an accessible, strong and growing offer for residents and visitors - it's easy to find something that captures the imagination in Sunderland





# Our ambitions

Our people and communities thrive and feel pride; everyone is playing their part

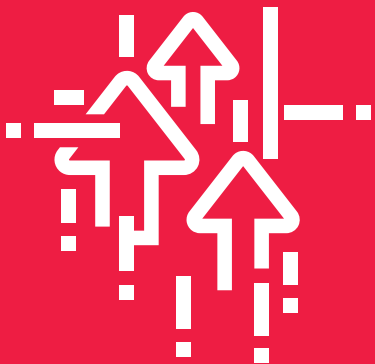




# Our ambitions

Sunderland will play its role in tackling the global challenge of climate change, working together across the city to be carbon neutral by 2040

# Our themes



**A dynamic  
smart city**



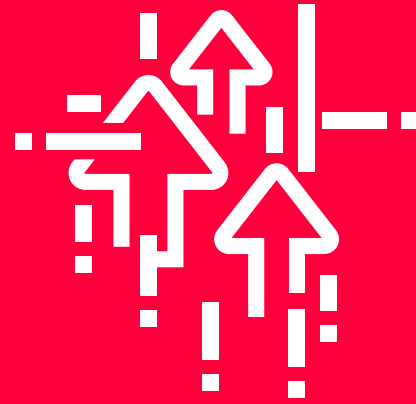
**A healthy  
smart city**



**A vibrant  
smart city**



More businesses,  
housing and cultural  
opportunities creating  
a strong city centre



Equitable opportunities  
and the best life chances  
for children

Great transport  
links with low  
carbon and  
active travel  
opportunities  
for all

# **A dynamic smart city**

**we will have:**

Great digital  
connectivity  
supporting a low  
carbon city

More local people with great  
skills and qualifications matching  
employer needs

Increased employment in  
more jobs that are fulfilling  
and better compensated



A clean and attractive city with people feeling safe in their homes and neighbourhoods

More people living healthier, longer lives as health inequality gaps are reduced

# A healthy smart city

we will have:

More and better housing

Great support and social care that enables those who need it to live the life they want to lead

More resilient residents and cohesive communities in the face of ongoing challenges including the cost-of-living crisis



# A vibrant smart city

we will have:

A strong sense of pride amongst residents about the city and the place where they live

More people visiting Sunderland, with more residents shaping and participating in cultural or sporting events

More people being active and participating in their communities

# Indicative Timeline 2024–25

- Practical completion of Penshaw Gardens, Station Road - delivering 72 units
- Social Housing Decarbonisation Scheme Wave 2 - 321 homes in total complete
- Gigabit fibre connectivity delivered to over 95% of premises across Sunderland and ongoing expansion of Wi-Fi and 5G Networks across the city
- New family hub in Hendon opens
- Completion of the Multiply Adult Numeracy Programme
- Sunderland's Social Prescribing Strategic Group delivering an integrated city-wide social prescribing model
- Key housing sites at Vaux, Nile Street and Villiers Street developed
- Northern Spire Phase 1 Film Studio Development complete
- Increase in economic activity in the Port
- Dame Dorothy Street active travel cycle improvements
- Bus Service Improvement Plan developed
- Review, develop and expand the Adult Social Care early intervention and prevention offer
- Finalise the review and redevelopment of Adult Social Care day opportunities in partnership with residents
- Enhanced Adult Social Care and support offer available to residents
- Develop and implement an engagement and co-production strategy for Adult Social Care including carers
- The gap between average wages in the city and regional average wages will be reduced
- Sunderland recognised as a cultural destination of choice
- Changing places project for people with extra needs complete
- Housing Innovation and Construction Skills Academy opens at Riverside Sunderland
- Sunderland Advanced Mobility Shuttle project delivered
- Further three SWIM BIKE Run hubs operational
- Targeted programmes with new participation opportunities in areas with the highest levels of inequalities but least active people - asylum seekers/refugees, ethnic minorities and over 55s



- Construction of five safe and inclusive area-based sports Play Zones with investment from the Football Foundation and Sport England
- Implement the Active Sunderland Community Rugby Development Plan
- Refurbishment of Silksworth athletics track
- Practical completion of Wellspring Park, Town End Farm delivering 71 units
- First medical students graduate from the University of Sunderland after starting their studies in September 2020
- Sunderland University Precinct student accommodation re-opens after refurbishment
- Continued development of the Health Equity Academy (launched 2022-23) by South Tyneside and Sunderland NHS Foundation Trust
- Sunderland College becomes a College of Sanctuary in line with Sunderland City of Sanctuary
- Develop the council's first rough sleeper accommodation
- 45 hectares of Community Forest trees planted 2021-2025
- Improved domestic abuse support services through a Women's Health Hub
- New Environmental Services satellite depot developed at Fulwell Quarry
- Progression of the Tree Management Strategy - Tree surveying and mapping in the Coalfields and Washington Areas. Continuation of plantation management programme. City wide tree planting scheme. Response to Ash die-back situation
- Further fixed play improvements and maintenance
- Commission activity to improve local quality of life and public satisfaction in Areas
- Continue to deliver the Community Wealth Building Strategy building on the Community Wealth Charter and Real Living Wage City accreditation
- Support the sustainable upkeep of community buildings, so local venues are fit for purpose to continue to deliver essential services and activities (including Links for Life - social prescribing activity) in our communities

# Indicative Timeline 2024–25



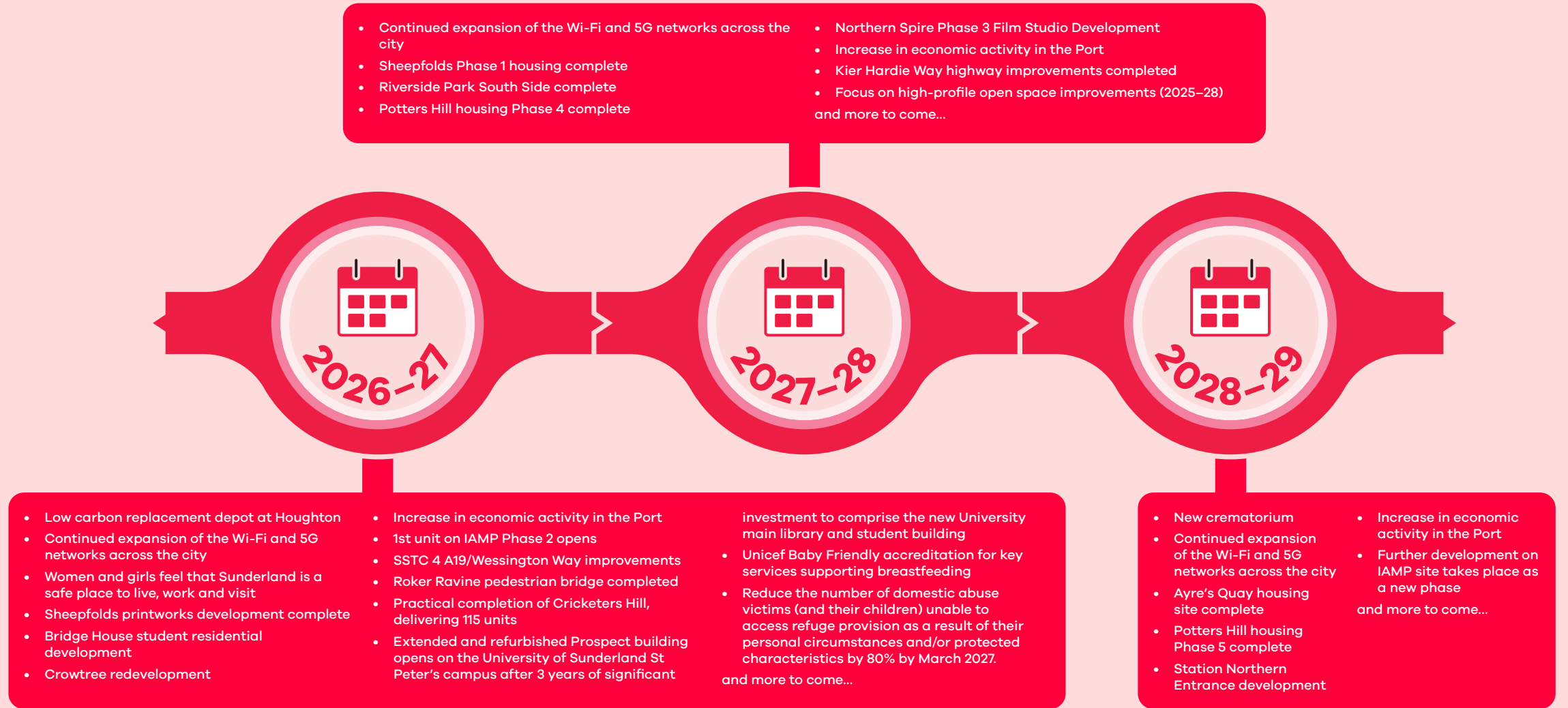
# Indicative Timeline 2025–26

- Improved access to safer accommodation for domestic abuse survivors with complex needs
- Farringdon Row housing site complete
- Potters Hill housing Phase 3 complete
- Northern Spire Phase 2 Film Studio Development
- St. Mary's Boulevard development
- Major international sporting events to take place in the city
- Increase in economic activity in the Port
- Construction of enabling infrastructure for IAMP Phase 2
- Culture House cultural hub including libraries completed at Riverside Sunderland
- 2,000 new office jobs
- Submit a Rail Network Infrastructure Programme bid to increase capacity at Sunderland Station from two to four lines
- European Way active travel cycle scheme
- More homes with energy efficiency measures which lower carbon emissions
- Reduced emissions from council operational assets
- Improved employment, training and volunteering for residents with a learning disability and/or mental health problems
- Develop and implement the Adult Social Care Workforce Development Strategy
- Implement Carers Strategy
- Adult Mental Health Strategy delivered
- Additional low carbon affordable homes built at West Park housing (former Civic Centre)
- Open high-level pedestrian/cycleway smart bridge linking Vaux and Sheepfolds

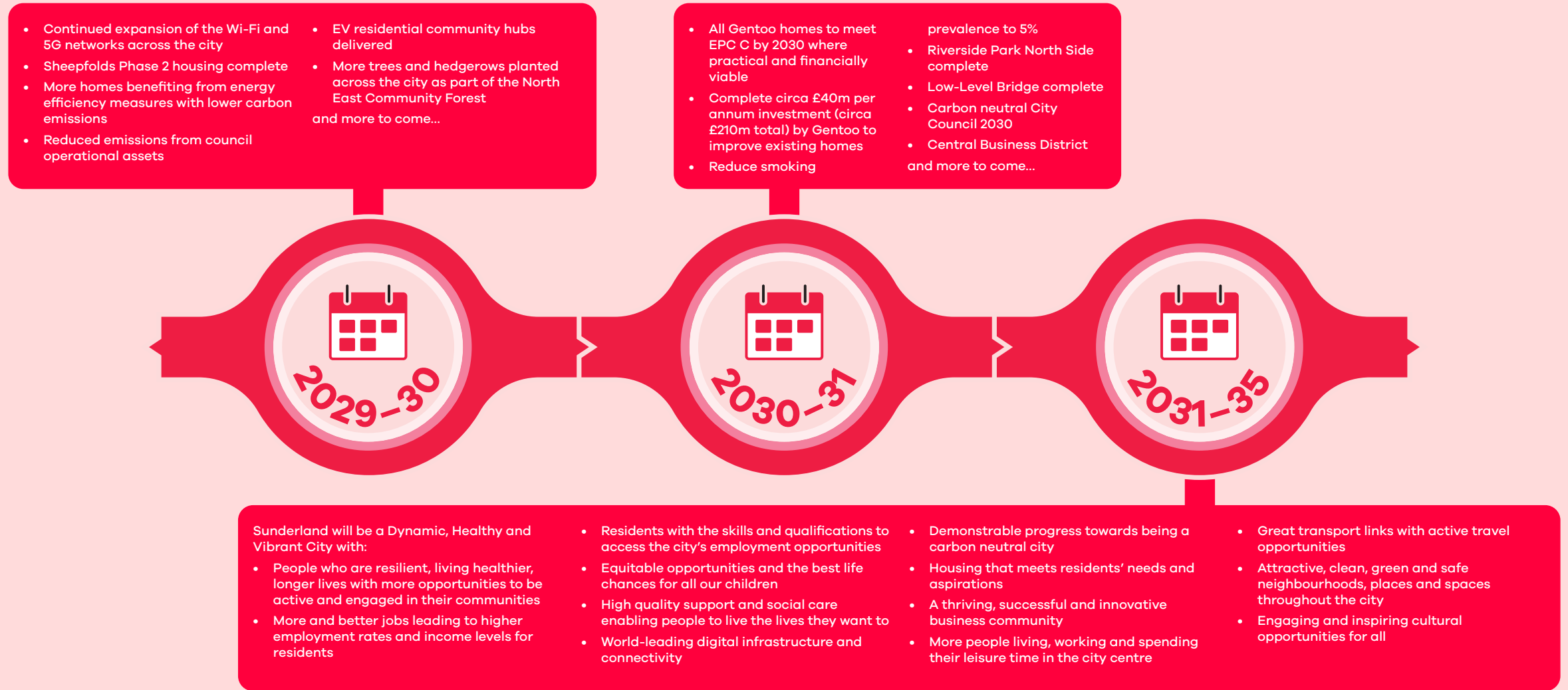


- Sunderland recognised as a cultural destination of choice
- New Eye Hospital opens on Riverside Sunderland
- Deliver the Expo Sunderland event programme including the Expo Homes and Gardens visitor attraction in 2025 to coincide with the opening of Riverside Park and the Vaux Neighbourhood
- Targeted programmed with new participation opportunities in areas with the highest levels of inequalities but least active people (2025-2031)
- Implement the Active Sunderland Community Rugby Development Plan Impact Programme
- Host Opening Ceremony and first game of the Women's Rugby World Cup 2025
- Improved provision of domestic abuse perpetrator support programmes
- Healthy relationships/domestic abuse education schools support programme delivered
- Continued progression of the Tree Management Strategy
- Gigabit fibre connectivity delivered to over 95% of premises across Sunderland and ongoing expansion of Wi-Fi and 5G networks across the city and more to come...

# Indicative Timeline 2026–29

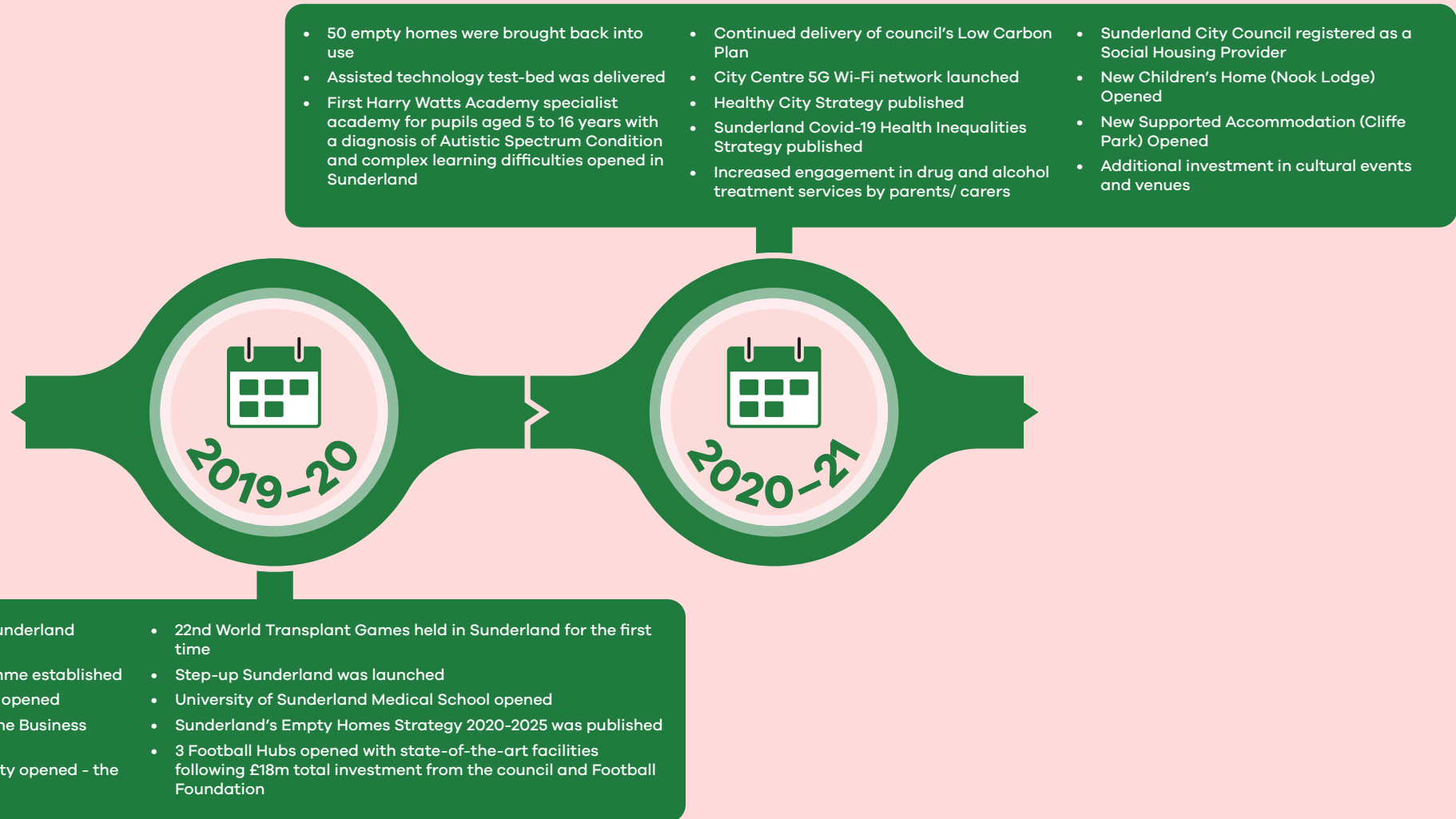


# Indicative Timeline 2029–35



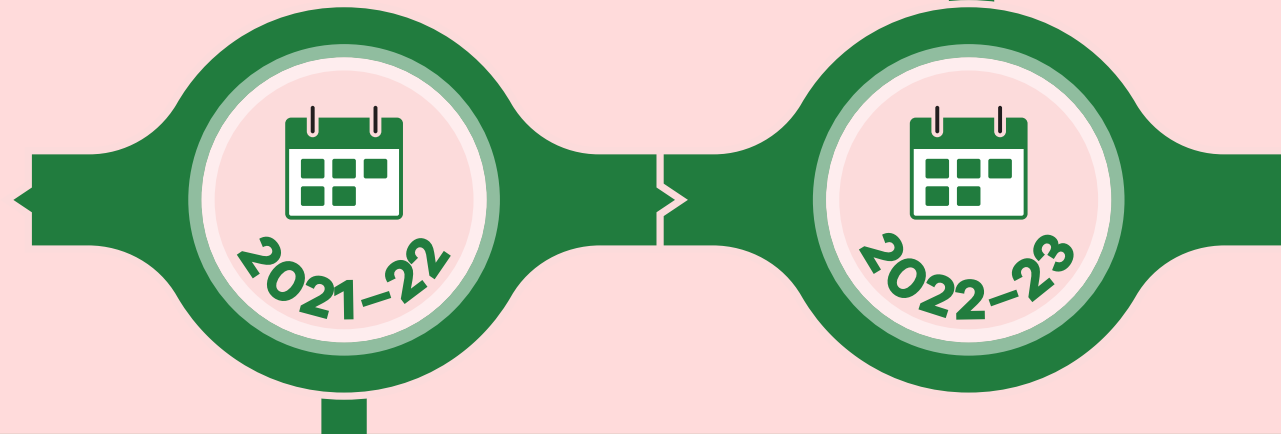


# Achievements Timeline



# Achievements Timeline

- Increased walking and cycling routes developed linking communities to riverside, seafront and green spaces
- Second Harry Watts Academy specialist academy for pupils aged 5 to 16 years opened in Washington
- New £13.3m Sunningdale School opened for children aged 2 to 11 with severe, profound and multiple learning difficulties
- New £6.3m buildings for Hetton Primary School opened
- Improvement in household recycling rates
- More people supported to live independently
- Hillthorn Business Park Phase 1 developed
- The Yard business hub opened
- Digital Catapult affordable warmth testbed delivered
- Elton John and Ed Sheeran performed at the Stadium of Light
- Advanced Digital Infrastructure Deployment continued
- Sunderland became a Real Living Wage city
- Successfully launched the new Domestic Abuse Support Service
- Hosted British Triathlon Super Series, Tour of Britain cycling Stage 3 finish, Tour Series 2022 cycling Round 3
- Launched Sunderland SWIM BIKE RUN programme providing new sport and physical activities participation opportunities for residents
- Sunderland City Council signed up to the Mental Health Prevention Concordat
- Percentage of adults smoking across the city reduced in the last 10 years from 24.3% to 15.2%
- Established Warm Hubs across the city
- New 4 Star hotel opened at Keel Square



- City Hall opened at Riverside Sunderland
- Continued roll out of 5G city-wide
- SSTC3 (Northern Spire to City Centre) opened
- Increased business take-up of low carbon initiatives
- Increased economic activity at the Port of Sunderland
- 5-year Domestic Abuse Support Service Contract awarded to Wearside Women in Need
- Delivered Sunderland Covid-19 Health Inequalities actions as part of the Healthy City Plan
- 5G Connected Automated Logistics pilot project delivered
- Safer Streets project delivered
- Adult Mental Health Strategy for Sunderland approved for publication to create a framework to improve outcomes in mental health
- Household Waste Recycling Centre (Pallion) opened to improve household recycling rates
- Healthy Weight Declaration adopted
- Healthy Start uptake increased to 81%
- Established Housing Delivery Investment Plan including approval to £59 million gross investment in social housing in the city

# Achievements Timeline



- New Children's Home (Maple Cottage)
- New Edge of Care Accommodation (Claremont Terrace)
- Crosstree Park, Downhill - 41 homes, including affordable rent, shared ownership
- Further £120,000 Empower Sunderland Local Community Fund contribution for green energy
- Complete Pennywell Regeneration - £19m investment in improving 1,100 homes to EPC C standard
- First phase of the Wi-Fi Messaging Platform/City-wide App launched
- Sunderland's Domestic Abuse and Violence Against Women and Girls Strategy 2023-2026 refreshed
- British leg of the 2023 World Triathlon Championship series hosted
- Over £¼m council and Lawn Tennis Association investment in the city's tennis courts in parks
- Two SWIM BIKE RUN hubs operational
- Targeted programmed with new participation opportunities in areas with the highest levels of inequalities but least active people
- Continue Supplementary Substance Misuse Treatment and Recovery Grant funding
- Publish Sunderland City Council Alcohol Strategy: It's Time to Rethink Drink and partner action plan
- Publish new Sunderland Smokefree Partnership plan
- Develop new Sunderland Workplace Health 3-year strategy and action plan
- Seaburn Masterplan reviewed
- Potters Hill Housing Phases 1 & 2 complete
- Sunnyside Masterplan produced
- Riverside Multi-Storey Car Park Opened
- Bus Rationalisation Route completed
- Development of multi-cultural and community events across the city
- Increase in economic activity in the Port to deliver the objectives of the Port Business Plan
- Whitburn Road active travel cycle improvements completed
- Electric Vehicle Strategy and Roadmap published
- Pre-opening programme activity for Culture House commenced

- Housing Support Grant maximised to vulnerable groups across the city
- Fuel Poverty Plan and partnership approach to Cost of Living Crisis support programme developed
- Community Digital and Health Hubs developed from the Warm Spaces approach
- Housing Strategy and Homelessness and Rough Sleeper Prevention Strategy implemented
- Elemore Park café and garden centre opened and investment secured for wider park developments
- Sunderland VCS Alliance established as an independent charity
- Range of Adult Social Care automated telephony apps implemented to support welfare checks, reviews and customer feedback
- Partnership working to ensure safe and timely hospital discharge with residents and carers central to discharge planning and receiving quality and timely advice and information
- Implementation of Dementia and Smart Homes Grants as part of the Disabled Facilities Grant offer
- Adult Social Care Direct Payment/ Personal Budget Offer enhanced as a viable alternative to traditional support at home packages
- Partnership working to develop and implement a Trusted Assessor model to support Social Care
- Continued delivery of the Community Wealth Building Strategy building on the Community Wealth Charter and Real Living Wage City accreditation
- Sunderland Station Southern Entrance opened
- Sunderland Heritage Action Zone complete, wider initiatives to safeguard buildings ongoing
- First Early Adopter New T Level qualifications awarded
- Beyonce and Pink performed at the Stadium of Light
- Eskdene Rise Hetton-le-Hole re-start on site to deliver 86 units
- University and City working together in the Smart City project to deliver Wi-Fi for students and citizens across the city
- Nissan 14-16 Skills Academy open
- New Short Breaks Accommodation Open

# Achievements Timeline



- Two new Children's Homes opened (Nookside & Marlow Drive)
- New models of supporting families identified through the Network Support Payments Pathfinder
- A690 Corridor Strategic Cycle Network completed
- Pallion New Road/European Way Cycle Route start on site
- A1018 St Peters/Dame Dorothy Street Cycleway
- Barley Mow Park regeneration completed
- Winter Maintenance Service Investment - Upgrading and installing weather stations.
- Delivery of the Parks Improvement Capital Programme
- Progression of the Tree Management Strategy - Tree surveying and mapping in the East, West and North Areas. Continuation of the plantation management programme. City wide tree planting scheme. Response to Ash dieback situation.
- Delivery of a pollination strategy - Wildflower planting, creation of orchids.
- Achieve Green Flag, Blue Flag and Seaside Awards
- Establish, enhance or maintain partnership working arrangements - Initial scoping and planning work commences with Gentoo
- Fixed play improvements and maintenance
- Community Digital and Health Hubs developed from the Warm Spaces approach
- Elemore Park café and garden centre opened and investment secured for wider park developments
- Sunderland VCS Alliance established as an independent Charity

- Continued to deliver the Community Wealth Building Strategy building on the Community Wealth Charter and Real Living Wage City accreditation
- Anti-social behaviour and perceptions of crime in the City Centre tackled through the SAIL project; Rowdy and inconsiderate behaviour reduced by 82%, Alcohol related ASB reduced by 69%, Public Disorder reduced by 21%, Burglary reduced by 62%, Vehicle crime reduced by 50%, Criminal damage reduction by 9%
- Launch of the first phase of the Wi-Fi Messaging Platform/City-wide App
- Develop Community Digital and Health Hubs from the Warm Spaces approach
- Continued expansion of the Wi-Fi and 5G networks across the city
- Range of Adult Social Care automated telephony apps implemented to support welfare checks, reviews and customer feedback
- Hospital discharge business process review completed and transfer of care hub implemented. Further work underway with Newton Europe to build on this review and identify improvements to outcomes
- The Smart House at Leechmere launched and opened
- Adult Social Care Direct Payment/ Personal Budget Offer enhanced, pilots complete resulting in 10% increase in Direct Payment uptake
- Last resort boiler and heating support to residents from the Hardship Fund established
- E-scooter trial continued

# Sunderland Partnership members





