

# ***Report of the Cabinet***



**The CABINET reports and recommends as follows:-**

**1. Capital Programme Outturn 2013/2014 and First Review 2014/2015 (including Treasury Management)**

That they have given consideration to a report of the Head of Financial Resources on an aspect of the report on the Capital Programme Outturn 2013/2014 and First Review 2014/2015 (including Treasury Management), namely requesting the Council to approve the variations in the capital programme for both years to include additional schemes with an estimated cost in excess of £250,000.

Accordingly, the Cabinet recommends the Council to approve the proposed variation to the Capital Programme for 2013/2014 and 2014/2015 to include additional schemes with an estimated cost in excess of £250,000 as set out in the attached extract.

They also referred the report to the Scrutiny Committee for advice and consideration in the context of inclusion of the additional schemes for 2013/2014 and 2014/2015 costing over £250,000 which are set out in the relevant extracts attached. The comments of Scrutiny Committee will be reported to the meeting

**2. Revenue Budget Outturn for 2013/2014 and First Revenue Review 2014/2015**

That they have given consideration to a report of the Head of Financial Resources on the Revenue Budget Outturn for 2013/2014 and First Revenue Review 2014/2015 namely requesting the Council to approve the transfer of funds.

In accordance with the Council's Budget and Policy Framework certain transfers require Council approval. The attached extract sets out the relevant extract from the Cabinet report, which refers to the transfer of £5.001m under spending on the revenue budget 2013/2014 to a Capital Priorities Reserve to support priority projects in 2014/2015 and future years in order to minimise the impact on future revenue budgets.

Accordingly the Cabinet recommends the Council to approve the budget transfer as set above and in the attached extract.

They also referred the extract of the budget transfer to the Scrutiny Committee, for advice and consideration. The comments of the Scrutiny Committee will be reported to the meeting.



**Capital Programme Outturn 2013/2014 and First Capital Review 2014/2015  
(Including Treasury Management)**

**Cabinet Meeting 18 June 2014**

**Extract of Report**

<b>Variations to the 2013/2014 Capital Programme in excess of £250,000 - Fully funded</b>	<b>£000</b>
<b>Leader</b>	
Factory Improvement Works – approved by Cabinet 12 <sup>th</sup> February 2014, funded by borrowing (£0.296m spend in 2013/2014 and £8.851m estimated 2014/2015). The project involves improvement works to industrial properties at Rainton Bridge which will generate additional income to the Council.	296
<b>Variations to the 2014/2015 Capital Programme in excess of £250,000 - Fully Funded</b>	
<b>Leader</b>	
St Mary's Boulevard & City Square The latest contract review has identified additional unforeseen costs of £0.717m which primarily relate to utility diversionary activity now notified by utility companies and other technical changes to scheme design to meet safety requirements. The additional costs are to be funded in part by an expected increase in ERDF funding and partial use of the capital contingency held for the scheme. Given the complexity of the scheme additional capital contingencies have been earmarked to support any potential unforeseen requirements as the project goes through the final stages of works to the square itself.	717
Beacon of Light Contribution It is proposed to make a £3.000m contribution to Foundation of Light for the development and construction of an events facility at Stadium Park. This will provide a cost effective method to satisfy the aspiration for an indoor events venue able to accommodate up to a 4,000 capacity standing audience. £0.500m of this contribution is profiled for use in 2014/2015 and £2.500m in 2015/2016, and is to be funded by resources earmarked in Capital Contingencies.	500
<b>Health, Housing and Adults</b>	
Low Carbon Social Housing Pilot – approved by Cabinet 12th March 2014, fully funded by ERDF grant and Gentoo (£1.710m 2014/2015 and £0.190m 2015/2016) The project will deliver a biomass district heating system providing heat and hot water to targeted social housing in Washington.	1,710
<b>City Services</b>	
Sunderland Riverside, Stadium Park Cabinet approved on March 12th 2014 the acquisition of land and assets at Sunderland Riverside, Stadium Park from the HCA at nil purchase price. To ensure that these riverside sites are maintained to a high standard, the acquisition was subject to a payment to the Council of a commuted sum in the region of £3.000m. Of this £3.000m, an estimate of £1.158m has been identified for capital works, with estimate of £0.866m in 2014/2015 and the balance of £0.292m in 2015/2016. The remaining £1.842m is earmarked for annual maintenance costs and potential further capital works if required.	866

<p>SSTC Phase 3</p> <p>Design &amp; Development SSTC Phase 3 is the critical final link in completing the continuous dual carriageway between the A19 and the City Centre and the completion is vital to fully secure the transport benefits of Phase 1 and 2 of the SSTC. It has been included as a future year priority scheme within the North East LEP Strategic Economic Plan (SEP) submitted to Government on 31st March 2014 with the aim of securing external funding. In order that the scheme is best placed to compete with others in the SEP, there is a need to undertake extensive and comprehensive development and design work for the scheme. This will include obtaining statutory approvals, assembling land, detailed design, obtaining planning permission and contractor procurement. The cost of this work is estimated to be up to £4.000m with £0.600m estimated for 2014/2015, and is to be funded initially from Local Transport Plan Capital grant pending confirmation of SEP priorities.</p>	600
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<b>Variations to the 2015/2016 Capital Programme in excess of £250,000 Fully Funded</b>	<b>£000</b>
<b>Leader</b>	
<p>New Sunderland College Contribution</p> <p>The proposed new Sunderland College campus on Holmeside will see a new 11,500 square metre development built on the land opposite Park Lane Transport Interchange, and will accommodate up to 2,000 students and over 120 staff. The development will provide a significant boost for the city centre with students and staff bringing significant footfall and additional spending power into the city centre. The proposal has a direct strategic fit with the Economic Masterplan, both Aim 1 which seeks to promote a strong learning ethic in the city and Aim 3 seeking to improve the city centre's performance. The College has secured funding for this £29.000m development of £10.000m from the Skills Funding Agency alongside contributing a significant amount of £16.000m from its own resources. In support of this development it is proposed that the Council makes a contribution of £3.000m which it is proposed will be funded through savings on debt charges as a result of slippage in the capital programmer in 2013/2014. This contribution is likely to be required during 2015/2016.</p>	3,000

**Revenue Budget Outturn for 2013/2014 and First Revenue Review 2014/2015**

**Cabinet Meeting 18 June 2014**

**Extract of Report**

**Virements over £55,000 for the Final Quarter 2013/2014**

**Proposals for Transfer to Capital Priorities Reserve**

It is proposed that the remaining £5.0 million underspend identified is transferred to a Capital Priorities Reserve to support priority projects in 2014/2015 and future years in order to minimise the impact on future revenue budgets.

	<b>Transfer From £000</b>	<b>Transfer To £000</b>
General Balances	5,001	
Transfer to:		
Capital Priorities Reserve		5,001
<b>TOTAL</b>	<b>5,001</b>	<b>5,001</b>

