

CABINET MEETING – 20 JUNE 2024

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Capital Programme Outturn 2023/2024 (including Treasury Management)

Author(s):

Director of Finance

Purpose of Report:

This report details:

- the Capital Programme outturn for 2023/2024; and
- an update on the Treasury Management Borrowing and Investment Strategy outturn position for 2023/2024.

Description of Decision:

Cabinet is recommended to:

- Approve the inclusion of additional schemes or variations to existing schemes for 2023/2024 detailed at Appendix A, as a variation to the Capital Programme;
- Note the overall Capital outturn position for 2023/2024;
- Note the increased cost pressures on the Capital Programme as detailed in paragraph 4.4 of the report; and
- Note the Treasury Management Strategy and Prudential Indicators outturn position for 2023/2024.

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

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

Suggested reason(s) for Decision:

As included in the Council's constitution, Cabinet is required to exercise control over capital spend and resources and receives quarterly reports to support this. This report notes the inclusion of additional capital schemes approved by Cabinet since the last capital review and confirms the overall Capital outturn for 2023/2024. The report also notes the outturn position in respect of the Treasury Management Strategy and Prudential Indicators.

Alternative options to be considered and recommended to be rejected:

No alternative options are proposed.

Impacts analysed:

Equality	<input checked="" type="checkbox"/>	Privacy	<input checked="" type="checkbox"/>	Sustainability	<input checked="" type="checkbox"/>	Crime and Disorder	<input checked="" type="checkbox"/>
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Is the Decision consistent with the Council's co-operative values?	Yes
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Is this a "Key Decision" as defined in the Constitution?	Yes
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Is it included in the 28 Day Notice of Decisions?	Yes
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CABINET – 20 JUNE 2024

CAPITAL PROGRAMME OUTTURN 2023/2024 (INCLUDING TREASURY MANAGEMENT)

REPORT OF THE DIRECTOR OF FINANCE

1. Purpose of Report

1.1 This report details:

- the Capital Programme outturn for 2023/2024; and
- an update on the Treasury Management Borrowing and Investment Strategy outturn position for 2023/2024.

2. Description of Decision:

2.1 Cabinet is recommended to:

- Approve the inclusion of additional schemes or variations to existing schemes for 2023/2024 detailed at Appendix A, as a variation to the Capital Programme;
- Note the overall Capital outturn position for 2023/2024;
- Note the increased cost pressures on the Capital Programme as detailed in paragraph 4.4 of the report; and
- Note the Treasury Management Strategy and Prudential Indicators outturn position for 2023/2024.

3. Introduction

3.1 The Capital Programme outturn position for 2023/2024 is shown in Section 4.

3.2 During the year changes are made to the Capital Programme to reflect updates that arise from the normal course of business. These changes include additional capital scheme approvals and funding announced by government and other agencies, as well as the ongoing review of the phasing of schemes that span several financial years.

3.3 Performance in implementing the Treasury Management Strategy is detailed in Section 5 along with confirmation that the Council is operating within its agreed borrowing limits and Key Performance Indicators.

4. Capital Programme Outturn 2023/2024

4.1 Since the last capital review was reported to Cabinet in January 2024, and subsequent amendments to schemes approved by Cabinet, there have been changes to the 2023/2024 Capital Programme both in terms of expenditure and resourcing. The report sets out details of the net decrease in spending across all capital schemes of £53.114m, primarily due to reprofiling of expenditure, leading to a final outturn position of £140.266m in 2023/2024.

- 4.2 Scheme variations are categorised as follows:
- Reprofiled expenditure of £54.500m between 2023/2024 and future years;
 - Additional schemes and scheme variations approved since the Capital Programme was last reported leading to a net increase of £0.287m in 2023/2024; and
 - Technical adjustments, which increase the Capital Programme in 2023/2024 by £1.099m.
- 4.3 Appendix A sets out the detail of the changes to expenditure and resources for 2023/2024.
- 4.4 Capital Programme delivery has been impacted by the Covid-19 pandemic since March 2020 and the war in Ukraine since Spring 2022. The Capital Programme Reviews reported to Cabinet since March 2020 advised that industry commentators were indicating that uncertainties continue, with upward cost pressures on construction contracts being exacerbated by global supply issues for raw materials (both availability and the timing of supplies) alongside labour cost pressures, and that this may manifest itself in further increases in cost and delays. Both main contractor and supply chain challenges continue to be experienced. These pressures to the Capital Programme remain, impacting on the cost and timescales of some projects. The impact on the Capital Programme continues to be closely monitored and reported to Cabinet as necessary.

5. Review of the Prudential Indicators and Treasury Management Strategy for 2023/2024

- 5.1 The Prudential Indicators for 2023/2024 were approved by the Council on 22nd February 2023 and have been regularly reviewed to ensure that:
- the Council remained within its Authorised Limit for External Debt;
 - treasury management decisions are taken in accordance with the Treasury Management Code of Practice and existing Council Treasury Management Policy and Strategy Statement; and
 - the Capital expenditure control framework operated locally is consistent with, and supportive of, local strategic planning, local asset management planning, and proper option appraisal.
- 5.2 Internal monitoring procedures track performance daily against the various prudential indicators agreed by the Council. Throughout 2023/2024 the Council operated within its Authorised Borrowing Limit, which is a statutory limit determined under Section 3 (1) of the Local Government Act 2003 and there are no areas of concern or any issues which require any review of the indicators originally approved.

Borrowing Strategy – 2023/2024

- 5.3 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 to secure benefit for the Council. A benchmark interest rate of 4.50% for long-term borrowing was set in the Treasury Management Policy and Strategy Statement for 2023/2024 reflecting the views prevalent at the time.

- 5.4 There was considerable volatility in the financial markets during 2023/2024. 50-year PWLB interest rates started the financial year in April 2023 at 4.40% (inclusive of the 0.20% discount available to Local Authorities) and rose steadily until reaching a peak of 5.74% on 23rd October 2023. From then rates fell to 4.52% at the end of December 2023 before gradually rising again to end the financial year at 5.01%. Since that time rates have fluctuated within an upwards trend and are currently 5.40%.
- 5.5 The Borrowing Strategy for 2023/2024 made provision for debt rescheduling but due to the proactive approach taken by the Council in previous years, and because of the very low underlying rate of the Council's long-term debt, no opportunities arose to refinance long-term loans at favourable interest rates. The Treasury Management team will continue to monitor market conditions and secure early redemption if appropriate opportunities should arise in the future.

Investment Strategy – 2023/2024

- 5.6 The primary aim of the Investment Strategy is the security of Council funds, then having regard to liquidity i.e., the availability of cash to meet the Council's liabilities, and finally to secure a reasonable rate of return on its investments.
- 5.7 Starting April 2023 at 4.25%, the Base Rate had initially been expected to peak at 4.50% but the Bank of England (BoE) realised further action was necessary to tighten monetary policy to combat persistent inflationary pressures. The Base Rate moved up in stepped increases of either 0.25% or 0.5%, reaching a peak of 5.25% in August 2023 where it has remained.
- 5.8 By January 2024 it had become clear that the CPI measure of inflation was moving down significantly from its 40-year high of 11.1% in October 2022 and the BoE expected any further movement in the Base Rate to be downwards as inflation falls towards its 2% target.
- 5.9 Investment returns rose throughout the course of 2023/2024 on the back of increases in the BoE Base Rate. During 2023/2024 the Council achieved a rate of return on its investments of 5.07% compared with the benchmark SONIA (Sterling Overnight Index Average) rate of 4.96%. Performance is above the benchmark rate, whilst still adhering to the prudent policy agreed by the Council.

6. Reasons for Decision

- 6.1 As included in the Council's constitution, Cabinet is required to exercise control over capital spend and resources and receives quarterly reports to support this. This report notes the inclusion of additional capital schemes approved by Cabinet since the last review and confirms the overall capital outturn for 2023/2024.

Cabinet is also requested to note the Treasury Management Strategy and Prudential Indicators outturn position for 2023/2024.

7. Alternative Options

- 7.1 No alternative options are proposed.

8. Impact Analysis

Impact assessments will be undertaken by Directorates to ensure programmes are delivered within budget.

9. List of Appendices

Appendix A – Variations to the 2023/2024 Capital Programme to those previously reported.

10. Background Papers

Sunderland City Council Capital Programme 2024/2025 to 2027/2028.
Third Capital Review 2023/2024.

Appendix A

Variations to the 2023/2024 Capital Programme to those previously reported

Portfolio / Project	Latest Revised 2023/2024 Budget (Budget Book) £'000	Reprofiling of 2023/2024 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2023/2024 £'000	Technical Adjustments 2023/2024 £'000	Outturn 2023/2024 £'000	Comment
Deputy Leader & Clean Green City						
Flood and Extreme Weather Mitigation	4,678	(3,140)	0	0	1,538	Due to delays in receiving written confirmation of Environment Agency (EA) funding for 4 schemes (Barnes North/South, Caroline St, Deptford Culvert, & Pallion) there is a reprofile of £3.140m expenditure from 2023/2024 to 2024/2025. The EA funding received full approval in January 2024 upon which main works commenced Spring 2024 and are scheduled to complete in 2024/2025.
Repairs to Piers	0	0	292	0	292	Cabinet approved on 14th March 2024 the procurement for works following storm damage to the Old North Pier, New South Pier and Roker Pier. The total cost estimate is £1.8m, £0.292m was spent in 2023/2024 and the £1.508m balance is profiled for use in 2024/2025. This is to be funded by a transfer of budget from the Nobles Quay project.
Nobles Quay Replacement	300	(2)	(292)	0	6	As part of the Cabinet report referred to above, £1.8m has been reallocated from this scheme to fund the repairs works to the piers in 2023/2024 and 2024/2025. .
Microgrid Backbone	1,807	(2,605)	0	0	(798)	The Council secured £14.951m grant from the Department for Energy Security and Net Zero (DESNZ) to provide significant energy infrastructure enabling works at the International Advanced Manufacturing Park (IAMP). Significant enabling works managed by the Council completed December 2023. The novation of the micro grid contract to a private investor has also taken place, as planned, to enable increased energy supply within the IAMP area. Following a refund of a securities payment from National Grid ESO, the net spend in 2023/2024 was a credit of £0.798m, resulting in a budget of £2.605m to be reprofiled to 2024/2025 to fund subsequent costs as approved by Cabinet on 14th March 2024.

Portfolio / Project	Latest Revised 2023/2024 Budget (Budget Book) £'000	Reprofiling of 2023/2024 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2023/2024 £'000	Technical Adjustments 2023/2024 £'000	Outturn 2023/2024 £'000	Comment
Scheme Feasibility & Design	1,000	(1,347)	872	0	525	Funding has been provided to deliver feasibility and design works for strategically important projects which support the economic regeneration of across the city in line with the City Plan. To support these works the Council has been successful in securing several grants for a number of schemes which include funding for design / development works of £0.917m. These include for the demolition/clearance works to the old civic centre site, the HICSA project and the Farringdon Row residential development. Of this external funding £0.872m has been spent in 2023/2024 and the £0.045m balance is to be spent in 2024/2025. Whilst these works are progressing, the timing of the delivery of these early-stage works has been reviewed and realigned to reflect the updated City Plan, latest delivery masterplans and also emerging funding opportunities. Therefore, £1.347m budget is to be reprofiled from 2023/2024 into 2024/2025 for future planned scheme development works.
Parks and Open Spaces	2,155	(1,309)	0	0	846	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. During 2023/2024 11 schemes were delivered either in part or full, with each at different stages of progress. Major schemes completed in year were Thompson Park, Harraton Play Area and Usworth Park. A budget of £1.309m has been reprofiled from 2023/2024 to 2024/2025 to align to current programme of works.
Play and Urban Games	965	(436)	51	0	580	Due to the lack of availability of external resources to undertake the necessary works in relation to some elements of the planned play improvements has led to delays in the delivery of schemes. As a result, a budget of £0.436m has been reprofiled from 2023/2024 to 2024/2025. There is anticipated to be an overall cost increase of £0.051m due to material cost inflation which is to be funded through S106 developer contributions. Moving forward, the Council's Landscape Design Team now have identified and engaged a specialist who can facilitate such works.

Portfolio / Project	Latest Revised 2023/2024 Budget (Budget Book) £'000	Reprofiling of 2023/2024 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2023/2024 £'000	Technical Adjustments 2023/2024 £'000	Outturn 2023/2024 £'000	Comment
International Advanced Manufacturing Park (IAMP)	2,355	(783)	0	0	1,572	Delays with land acquisition and hence subsequently planning permission for the A1290 road widening scheme has resulted in a budget of £0.783m to be reprofiled from 2023/2024 to 2024/2025.
Provision for Economic Development	881	(447)	0	0	434	Economic Development expenditure grants are paid upon beneficiaries meeting the specified grant conditions. Following spend of £0.434m in 2023/2024 for claims meeting grant conditions, the balance of £0.447m budget is to be reprofiled into 2024/2025.
Energy Masterplan & Feasibility Assessment	430	(335)	0	0	95	The aim of the project remains to deliver a low carbon heat network for the city however, in line with Cabinet approval, market developments and emerging national legislation, the delivery model of the project has shifted to securing a private sector funder/operator to enter into a Joint Development Agreement (JDA), to continue development of the business case and develop the network. Proving the former Wearmouth Colliery as a viable heat source remains a key ambition, although increases in borehole costs have resulted in delays to this element of the project, with discussions continuing with the Department for Energy Security and Net Zero (DESNZ), and The Coal Authority. DESNZ are fully supportive of the project delivery approach, with procurement of the JDA to continue through remainder of this calendar year and a preferred bidder expected to be announced early 2025, with the £0.335m balance of 2023/2024 budget to be reprofiled in to 2024/2025.
Riverside Animation	385	(385)	0	0	0	The planned programme of works establishing a focus for river-based leisure activities remains on hold until arrangements can be concluded with the Crown Estate. The budget of £0.385m will therefore be reprofiled from 2023/2024 to 2024/2025.

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UKSPF - External Grants	508	(189)	(30)	0	289	<p>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 grant that has been allocated to specific schemes delivered by external organisations under the following themes of Community and Place and Supporting Local Business. From the UKSPF grants allocated to external partners previously expected to be paid in 2023/2024 there is a total of £0.189m budget to be reprofiled into 2024/2025 due to:</p> <ul style="list-style-type: none"> • Timing required to complete partnership agreements with Sunderland Culture, Cultural Spring and Minerva Arts & Wellbeing (project delivery partners), and • BREEZ Phase 2 – development work to finalise the business case resulting in a delay to the start of delivery now expected 2024/2025.
Other Projects	12,959	(627)	20	0	12,352	Minor Variations (<£0.230m) to several projects.
Total Deputy Leader & Clean Green City	28,423	(11,605)	913	0	17,731	
Cabinet Secretary						
Software Licenses	0	0	0	1,099	1,099	Intangible Assets fully funded from Directorate resources – spend and funding of £1.099m transferred from Revenue to the Capital Programme.
Planned Property Capital Maintenance	2,635	1,256	(101)	0	3,790	The schedule of Planned Property Capital Maintenance works continues to be reviewed in line with Council needs and priorities. There has been positive progress during 2023/2024 including Derwent Hill boiler replacement, heating upgrades to Stanfield Centre and SASMI (Skills Academy for Sustainable Manufacturing & Innovation), Ryhope beach steps structural repairs and Herrington Country Park drainage repairs and improvements, resulting in £1.256m acceleration of budget from 2024/2025 and 2025/2026 into 2023/2024.

Portfolio / Project	Latest Revised 2023/2024 Budget (Budget Book) £'000	Reprofiling of 2023/2024 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2023/2024 £'000	Technical Adjustments 2023/2024 £'000	Outturn 2023/2024 £'000	Comment
Smart Cities Project	4,812	(896)	0	0	3,916	Sunderland is fast becoming the UK's smartest city with next generation networks now in situ including free, superfast wi-fi and 5G networks. A whole range of digital solutions are for example supporting air quality and flood management, monitoring traffic and pedestrian flow and ensuring our buildings are more energy efficient and our smart city data platform is helping us manage the city in real time. In addition, the Smart Cities Team has been successful in securing significant external government funding, further extending Sunderland's position as a leading UK Smart City and enabling the widespread delivery of advanced wireless infrastructure and resulting benefits. There has been a reprofiling of some activities to deliver the Smart City agenda to better align with intended outcomes, the timetabling of activities in respect of external funding and availability of key resource. A such, £0.896m of the 2023/2024 budget will be reprofiled into 2024/2025.
Internet Filtering, Firewall and Monitoring Solution and Upgrade to Gigabit Capable Fibre Connectivity	639	(553)	0	0	86	Due to capacity of a third party to deliver the agreed programme of works, there is £0.553m budget to be reprofiled from 2023/2024 to 2024/2025.
ICT Infrastructure	258	(246)	0	0	12	The ICT Infrastructure project includes five strands of investment into ICT services to provide efficiencies Council-wide. £2.0m has been invested to date from this project, primarily on replacement end user devices and the replacement of server and storage infrastructure, helping to keep systems fit for purpose and our data safe. However, £0.246m budget is to be reprofiled into 2024/2025 due to changing technical requirements and capacity to implement the required solution.

Portfolio / Project	Latest Revised 2023/2024 Budget (Budget Book) £'000	Reprofiling of 2023/2024 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2023/2024 £'000	Technical Adjustments 2023/2024 £'000	Outturn 2023/2024 £'000	Comment
Refresh of Essential Core ICT Infrastructure	147	(140)	0	0	7	The rationalisation and refresh of the Council's ICT estate has progressed during 2023/2024, however, due to capacity to deploy and adopt the new suite of technologies which is now entering the final phase of deployment, the remaining budget of £0.140m is to be reprofiled in to 2023/2024 to 2024/2025.
Replacement of End User ICT Devices	1,433	(161)	25	0	1,297	Due to requirement to upgrade the underlying desktop platform and associated technical delays, there is £0.161m budget to be reprofiled from 2023/2024 to 2024/2025.
Community Digital Health Hub Project (UKSPF)	582	(152)	0	0	430	A total of £0.582m has been secured from UKSPF to support various works to tackle digital exclusion in the city. There has been positive progress with £0.430m spent against the approved £0.582m budget on a range of digital inclusion activities for example, databanks, online centres and a volunteer programme - all improving digital inclusion. However, there has been delays related to the delivery of equipment to carry out the digital infrastructures works, which were outside the control of the Council and contractor. The balance of £0.152m budget is to be reprofiled from 2023/2024 into 2024/2025 to fund completion of these works.
Redevelopment of Parsons Depot including Electrical Vehicle Infrastructure	414	(125)	0	0	289	All building construction and demolition works are complete. However, there is some external work requirements including drainage and an extension to the car park, as such the £0.125m balance of budget is to be reprofiled from 2023/2024 to 2024/2025.
City Hall - Furniture and Equipment	67	0	(68)	0	(1)	Following completion of all furniture and equipment purchase for City Hall there is a project saving of £0.068m against the approved budget.
Other Projects	1,623	(292)	52	0	1,383	Minor variations (<£0.160m) to several projects.
Total Cabinet Secretary	12,610	(1,309)	(92)	1,099	12,308	

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Children, Learning & Skills						
SEN (Special Educational Needs) Provision	1,213	(819)	0	0	394	This scheme is to support additional SEN school places in the city, with two priority schemes identified. The works to expand the ASD Unit at Usworth Colliery are now complete and children are now in attendance at this unit. Works to develop SEN provision at Hudson Road Primary School have now been procured with a contractor on site. These works will be undertaken in the 2024/2025 financial year though requiring £0.819m budget to be reprofiled from 2023/2024 to that year - works remain on target to be complete for the planned September 2024 opening.
Fulwell Junior School Refurbishment	2,200	(785)	0	0	1,415	The scope of works has been agreed with the nominated contractor with the works scheduled to be complete as planned for the commencement of the 2024/2025 academic year resulting in £0.785m being reprofiled to 2024/2025.
Sunderland's Pupil Referral Unit (PRU)	848	(774)	0	0	74	This project is currently under review due to increased projected capital costs to deliver the scheme and the capacity of the proposed operator. A budget of £0.774m will be reprofiled from 2023/2024 to 2024/2025 to meet costs of an appropriate solution that will be developed to meet the SEN needs in the Hetton and wider Coalfields area.
Schools Capital Maintenance Works	1,411	0	(572)	0	839	Capital maintenance works at several schools progressed during 2023/2024. However, £0.572m funding that had nominally been allocated to deliver capital schemes that were either superseded by larger programmes or delivered for lower than anticipated costs will now be redirected as 'unallocated' and be used to support the 2024/2025 schools' capital programme.

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School's Asset Management Unallocated	586	(1,174)	588	0	0	Funding is retained to ensure a rapid response can be made to emergency and unplanned capital issues across the Council's maintained school estate (such as boiler failures or storm damage). Following the transfer of budgets, including from the above Capital Maintenance Works, £1.174m budget will be held as contingent provision for emerging works in 2024/2025 and/or to support potential new capital projects in that year.
Schools Devolved Capital	882	(179)	0	0	703	Funding and the delivery of the associated capital schemes is devolved to maintained schools. Following spend of £0.703m in 2023/2024, £0.179m is to be reprofiled into 2024/2025.
Kepier Academy Temporary Capacity Increase	323	(166)	0	0	157	This project will deliver two additional classrooms to support oversubscription at the Academy in order to meet the Council's sufficiency responsibility. Additional classrooms are in place providing an increase in capacity. Costs for initial hire and set up have been expended. The option to purchase will be triggered in 2024/2025 resulting in a budget of £0.166m to be reprofiled into that year.
Hetton Primary School New Build	180	(141)	0	0	39	The school is now fully operational but an estimated £0.060m of costs are to be expended in 2024/2025 relating to final minor energy efficiency works. The full £0.141m balance of budget will be reprofiled from 2023/2024 into that year until the final account has been agreed.
Mill Hill Primary SEN	0	0	61	0	61	Cabinet on 18th January 2024 approved a scheme to develop an ASD unit at Mill Hill Primary school. The unit will accommodate 16 pupils and will be developed through the refurbishment of surplus teaching areas and will become operational for the 2024/2025 academic year. The approved budget is £0.650m with £0.061m expended in 2023/24.
Other Projects	7,476	18	(59)	0	7,435	Minor variations (=£0.090m) to several projects.
Total Children, Learning & Skills	15,119	(4,020)	18	0	11,117	

Portfolio / Project	Latest Revised 2023/2024 Budget (Budget Book) £'000	Reprofiling of 2023/2024 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2023/2024 £'000	Technical Adjustments 2023/2024 £'000	Outturn 2023/2024 £'000	Comment
Dynamic City						
Vaux Housing	14,084	(10,126)	0	0	3,958	<p>The Vaux Housing scheme was progressing well and on target until February 2023, when Tolent went into administration, resulting in significant programme delays and a requirement to procure a replacement contractor. Wates were appointed in July 2023 and entered into a Pre-Construction Service Agreement (PCSA) to price the contract, which ended on the 5 February 2024.</p> <p>During this time the Council and Wates undertook a further value engineering exercise, which included a review of the specification and design of the scheme to review options for delivery. However, Wates were unable to deliver the scheme at a cost deemed value for money and within the allocated budget. As a result the Council is exploring alternative delivery solutions with smaller local contractors that do not carry the significant overheads and oncosts associated with a Tier 1 main contractor. It is planned that the scheme will recommence on site in Summer 2024 with works to the Pele blocks with a revised scheme completion date of December 2026.</p> <p>This delay has resulted in a reprofiling of £10.126m budget from 2023/2024 to future years.</p>
Strategic Acquisitions and Developments	15,503	(6,363)	262	0	9,402	<p>Funding is provided to acquire real estate to support strategic economic regeneration and the City Plan. Some of the proposed acquisitions are complex and have required extended due diligence and negotiation, and reprioritisation in line with strategic development and regeneration plans. As a result, a budget of £6.363m is to be reprofiled from 2023/2024 into 2024/2025. Funding of £0.262m was also secured from an external developer to fund development works as part of this project.</p>

Portfolio / Project	Latest Revised 2023/2024 Budget (Budget Book) £'000	Reprofiling of 2023/2024 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2023/2024 £'000	Technical Adjustments 2023/2024 £'000	Outturn 2023/2024 £'000	Comment
Riverside Sunderland Infrastructure	27,018	(4,045)	48	0	23,021	The various work packages, including the new wear footbridge, to deliver on the Riverside Sunderland Masterplan are progressing, but at varying stages of design, consultation and works. Works to form new clifftop footpaths, 5G infrastructure and sustainable urban drainage across the Riverside Sunderland development have progressed on site with construction works well advanced, as are the works to the footbridge and infrastructure and works remain scheduled to complete Summer 2025. There is however, £4.045m budget to be reprofiled from 2023/2024 into 2024/2025 including in relation to park infrastructure works approved by Cabinet March 2024. In addition, £0.200m grant was secured from Homes England to support the feasibility and design work of the Sheepfolds infrastructure works; £0.048m of this was spent in 2023/2024 and the £0.152m balance is profiled for use in 2024/20/25.
Sunderland Central Station Redevelopment & Car Park	13,041	(3,893)	0	0	9,148	The Station redevelopment has progressed well and reached Practical Completion on 8th December 2023, and the demolition works to the old civic centre site reached Practical Completion at the end February 2024 and earthworks removal May 2024. The main contractor for the Station car park at Holmeside commenced works in March 2024 which are scheduled to complete July 2024. A budget of £3.893m is to be reprofiled from 2023/2024 to 2024/2025 to align to the revised programme.
HICSA (Housing Innovation Construction & Skills Academy)	4,682	(1,293)	0	0	3,389	In line with the delivery timescale a £1.293m budget is to be reprofiled from 2023/2024 to 2024/2025. The project is progressing at pace and is on target for completion by the end of May 2025 in readiness for occupation by Sunderland College ahead of the 2025/2026 academic year.

Portfolio / Project	Latest Revised 2023/2024 Budget (Budget Book) £'000	Reprofiling of 2023/2024 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2023/2024 £'000	Technical Adjustments 2023/2024 £'000	Outturn 2023/2024 £'000	Comment
Farringdon Row and Carley Hill New Homes	3,135	(1,185)	0	0	1,950	<p>As agreed by Cabinet on 9th November 2023, the grant payment funded by Brownfield Land Release Fund (BLRF) was provided to Gentoo in 2023/2024 in relation to the Carley Hill scheme. The Farringdon Row development will be delivered on a complex brownfield site with significant development constraints and requires a cocktail of funding to secure delivery. To supplement the BLRF grant secured to date the Council has submitted applications for Brownfield Housing Fund (BHF) and Brownfield, Infrastructure and Land (BIL) grants. The protracted nature of the application process has resulted in a programme delay whilst the necessary funding is secured. It is anticipated the planning application will be submitted in September 2024 and the grant funding payment to the developer, Placefirst Limited, will be made on legal completion of the land sale which is scheduled for May 2025.</p>
Sunniside Regeneration (Nile & Villiers Street)	1,958	(1,136)	0	0	822	<p>Following completion of the concept design and initial cost planning a viability gap was identified which resulted from unforeseen abnormal development costs and significant market inflation. The Council has subsequently been reviewing the scheme design, delivery and funding strategy which has resulted in a delay to the original programme. Whilst impacting on delivery, the delay has allowed the Council to secure a pre-sale agreement with Placefirst Limited for 65 of the 78 units which has significantly de-risked the financial model and protected scheme delivery. A planning application was submitted in Spring 2024 and is due to be determined in summer 2024 with construction works forecast to commence in autumn 2024, and due to complete in 2026/2027 resulting in a reprofiling of £1.136m budget from 2023/2024 to future years.</p>

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Seaton Lane Junction Improvements – Durham CC	5,203	(1,048)	0	0	4,155	Junction improvement construction works to Seaton Lane are being delivered by Durham County Council (DCC). Following delays in DCC acquiring the land required for the scheme, the main contractor did not start on site until March 2023, and are due for completion Summer 2024. Following spend of £4.155m in 2023/2024, the £1.048m balance of budget is to be reprofiled from 2023/2024 to 2024/2025.
Housing Other Sites	954	(924)	0	0	30	The majority of this project budget relates to the delivery of self-build residential developments at James Steel Park and Upper Fulwell. Whilst central government funding has been secured to support the delivery of these schemes, the submission of planning applications has been delayed pending the mitigation of development constraints. As a result, a budget of £0.924m has been reprofiled from 2023/2024 to 2024/2025 and 2025/2026.
Riverside Sunderland Multi- Storey Car Park	978	(804)	0	0	174	The construction of the new MSCP on the Riverside site reached practical completion end of May 2023. However, the final contract sum for the main works remains to be finalised resulting in the balance of budget of £0.804m to be reprofiled into 2024/2025.
A183 Dame Dorothy St. Two- Way Cycle Lane	1,000	(842)	(23)	0	135	Works were originally planned was to start works on the two-way cycle at A183 Dame Dorothy Street Lane in Autumn 2023, however, the design required several changes to satisfy support Active Travel England requirements and hence their final approval. The Grant Funding Agreement was finalised in mid-April 2024, upon which construction commenced early May 2024 and is scheduled to finish Spring 2025. As a result, a budget of £0.842m is to be reprofiled from 2023/2024 to 2024/2025.

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Pallion New Road / European Way - Cycle Lane	700	(516)	0	0	184	Discussions regarding the design requirements were undertaken with the funder Active Travel England on the Pallion New Rd / European Way Cycle Lane – this concluded later than expected and final grant approval was received 1st May 2024. The construction period is now expected to be July 2024 to July 2025, resulting in a budget of £0.516m to be reprofiled from 2023/2024 to 2025/2026, as well as £0.284m from 2024/2025 to that same year.
SSGA - Rotary Road (Ryhope Doxford Link Road)	407	(102)	(168)	0	137	Rotary Road is a new link road which is supporting new homes in the South Sunderland Growth Area (SSGA). The road completed and opened February 2023 with a saving of £0.168m against the HIF grant which has been re-allocated to another HIF SSGA project budget. Final Landscaping works are to be completed in 2024/2025 resulting in £0.102m budget to be reprofiled into that year.
Holmeside Bus Rationalisation and Priority Measures	3,100	0	227	0	3,327	There is a £0.227m overspend on this project due to several design and other changes including £0.080m additional footway enabling works to facilitate the Sunderland Station South Entrance, additional contractor cost of £0.070m whilst Northern Power Grid disconnected unmapped electricity connection at 2 bus stops, £0.020m unmapped drain and £0.021m removal of under-pavement concrete being instead of usual soft sub-base. This cost increase will be funded by a transfer of budget from the Integrated Transport project.

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Integrated Transport	2,261	(619)	(193)	0	1,449	<p>Funding of £0.034m in total was secured from S106 developer funds and via Area Committees to fund a feasibility study for Black Boy Rd highway improvements and other local transport works. In addition, funding of £0.227m is to be reallocated to the above Holmeside Bus Rationalisation and Priority Measures Scheme. There is also £0.619m 2023/2024 budget to be reprofiled to 2024/2025 due to numerous schemes at various stages of design, consultation including:</p> <ul style="list-style-type: none"> • Advanced direction signage and speed limit changes re Ryhope Doxford Link Road - consultation extended and work expected to complete in summer 2024, • Road safety assessments at Ferryboat Lane regarding consideration to options/changes now progressing and at Warwick Terrace being on hold as residents raised concerns about noise/vibration from proposed speed table, and • Moor Terrace / Lawrence Street Port access on hold due to review of the benefits from proposed changes to junctions.
Cowies Way (SSTC Phase 3)	1,415	(596)	(650)	0	169	The road opened November 2021, however, £1.246m budget remained unspent at end of 2023/2024. It is proposed that £0.596m of this budget is held as a contingent sum in 2024/2025 to fund any further costs prior to financial completion, with the balance of £0.650m to be a saving against this project.
Seaburn Public Realm	686	(268)	50	0	468	The works to Ocean Park frontage at Seaburn are complete. The further works to the delivery of a children's play area on land off Lowry Road, approved by Cabinet July 2023, are progressing with these works due to complete August 2024 instead of Spring 2024, within the approved budget.

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Bridge Maintenance	1,856	(272)	0	0	1,584	<p>There is £0.272m budget to be reprofiled from 2023/2024 to 2024/2025. This is primarily in relation to:</p> <ul style="list-style-type: none"> • £0.050m Newcastle Rd rail bridge - awaiting approval of work plan from Network Rail, • £0.150m Harbour View bridge - construction started May 2024 (w/c 13/5/24) in conjunction with the Dame Dorothy cycle scheme, • £0.047m Pallion New Rd bridge - construction won't start until July 2024 in conjunction with Pallion New Road cycle scheme.
Bishopwearmouth Townscape Initiative Phase 2	527	(199)	0	0	328	<p>This project, supported by the Heritage Lottery Fund, provides grants to owners / tenants to repair and restore historic properties in the Bishopwearmouth area. The deadline for spend of the external funding has been extended to Summer 2024 in agreement with the funder primarily due to the requirement for additional repairs to the Victoria Buildings. As a result, a £0.199m budget is to be reprofiled from 2023/2024 into 2024/2025.</p>
Heritage Action Zone (HAZ) Partnership Grant Scheme	580	(153)	0	0	427	<p>The HAZ Partnership Grant Scheme practical completion has been reached for the final restoration and enhancement project at Elephant Tea Rooms. The project has transformed the appearance of this iconic listed building on the High Street through the installation of striking new shopfronts alongside delicate repair and restoration works using traditional craft skills to its terracotta features such as the ornamental elephants and gargoyles. However, the final contract sum for the works remains to be finalised resulting in the balance of budget of £0.153m to be reprofiled into 2024/2025.</p>

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City Gateways Large Screen Advertising	176	(154)	0	0	22	<p>This project aims to install large advertising screens at key gateways into the city. A budget of £0.154m is to be reprofiled from 2023/2024 to 2024/2025 to support installation of new screens at:</p> <ul style="list-style-type: none"> • The Yard - erection of screens expected June/July 2024. • Hastings Hill - screen erection expected by June 24. • Keel Square - mobile screen to move late July 2024 to the cinema site in advance of the Pavilion which will incorporate its own screen. The Pavilion and immersive screen will remain until the new Culture House opens.
Housing Delivery Investment Plan	3,588	207	0	0	3,795	<p>There has been over £22m invested into the Housing Delivery Investment Plan to date including:</p> <ul style="list-style-type: none"> • 4 new build bungalows completed at Albert Place, 5 at Boult Terrace, 5 at Elmwood Avenue and 2 at Redmond Road, all completed 2020 to 2022. • Development of 17 bungalows at the Cork Street (Valiant Close) which was completed in October 2022, • Development of 11 two-bedroom bungalows and 5 three bedroom houses at Old Mill Road, Southwick, which was completed in February 2023, • Conversion of Washington Old School into 15 supported units plus 1 for staff which was completed August 2023, • 62 Purchase and Repair properties in ownership (another 4 properties have been declared not viable for refurbishments and are to be sold) • 6 Homeless Support properties, and • A new build at Hylton Road of 18 Supported Housing bungalows plus 1 for staff due for completion July 2024. <p>Due to the main two properties purchased as part of the Purchase and Repair project, there is a need to accelerate funding of £0.207m from 2024/2025 to 2023/2024.</p>
Other Projects	18,249	(1,292)	(166)	0	16,791	Minor fully funded variations (<£0.220m) to several projects.
Total Dynamic City	121,101	(35,623)	(613)	0	84,865	

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Healthy City						
Day Centre Refurbishment	470	(457)	0	0	13	Costed options for the day centre refurbishment at Washington Day Centre and Fulwell Day Centre, to meet the needs of people with complex disabilities and behaviours, has taken longer than expected due to the complexity of the works requirement which includes a hydrotherapy pool and further consultations with families / architects on the design / layout of the building. The tender of the works is expected to start late 2024. As a result, the project budget is to be reprofiled across the years to align to this revised programme timeline, including £0.457m from 2023/2024 into 2025/2026 and £1.947m from 2024/2025 to 2025/2026, leaving £0.450m budget profiled in 2024/2025.
Community Equipment Service - New Storage Facilities at Leechmere	348	(232)	0	0	116	Works have been delayed enabling the service to implement its plans in respect of adopting a fleet of electronic vehicles with EV charging points at Leechmere. As a result, £0.232m budget is to be reprofiled from 2023/2024 into 2024/2025.
Disabled Facilities Grants	4,705	217	0	0	4,922	Disabled Facilities Grants (DFG) assist people to live independently by helping to fund suitable adaptations to their properties. There has been a higher number of these grants issued in 2023/2024 than forecast, resulting in £0.217m budget to be accelerated from 2024/2025 into 2023/2024. The cost of this is funded from the additional in year 2023/2024 DFG allocation of £0.354m which was profiled for use in 2024/2025.

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Learning Disabilities Out of Hospital Community Provision	293	(83)	0	0	210	A review of the original proposed scheme at Doric View has been undertaken and is now to progress as a supported living scheme with shared communal space for 6 people with a learning disability and or autism. There will be a need to update fixtures and fittings at Doric View as it transfers from a Short Break service to a supported living scheme. A further programme of works is required at other supported living schemes, including bespoke adaptations, fixtures and fittings which needs to be matched against the properties included within the scope. A budget of £0.083m is to be reprofiled from 2023/2024 into 2024/2025 to fund the above works.
Other Projects	946	3	0	0	949	Minor variations (<£0.020m) to several projects.
Total Healthy City	6,762	(552)	0	0	6,210	
Vibrant City						
Culture House	6,083	(368)	0	0	5,715	Main construction works to the new Culture House were initially delayed due to statutory authority delays relating to the diversion of unrecorded assets / utilities, with the contractor rephasing works to limit the impact on the programme. The construction works are currently progressing well but there is a requirement to reprofile £0.368m project budget from 2023/2024 to 2024/2025 following the rephasing of works. The expected completion remains as quarter 2 of 2025/2026.

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Modernising Libraries (Washington and Houghton Libraries)	642	(273)	0	0	369	<p>The majority of the capital works to modernise the library at Houghton and Washington are now complete. The potential to complement the capital works through external funding from the Arts Council's Libraries Improvement Fund (LIF) was identified, and confirmation of a successful bid was received end February 2024. Whilst positive, the bid outcome slightly delayed the commencement of these works, which are now due to be completed June 2024. The LIF bid will allow for digital infrastructure including TV screens, kiosks and computers and new furniture. As such a budget of £0.273m is to be reprofiled from 2023/2024 to 2024/2025 to align to current project timescales.</p>
Washington F Pit Heritage Visitor Centre and Albany Park Improvements	305	(247)	0	0	58	<p>The first phase of Albany Park improvements will be completed imminently. These include woodland management to remove dead and diseased plants, followed by extensive tree, shrub and wildflower planting and other ecological works to enhance the natural environment and biodiversity of the park. The phase two enhancements will follow later in the year once the design work has been completed and will include footpath improvements, new lighting, street furniture and informal play and recreational facilities.</p> <p>Architects have been appointed to lead the multi-disciplinary design team for the detailed design and delivery phases for the F Pit Museum development which will include a new heritage visitor centre and cafe, outdoor exhibition space and associated repairs and improvement works to the F-Pit Engine House. The designs will be completed this year and construction works are expected to commence in summer 2025. These will also include a new play park at the Museum site and a new car park.</p> <p>A budget of £0.247m is to be reprofiled from 2023/2024 to 2024/2025 to align to current project timescales</p>

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Neighbourhood Capital Investment Programme (NCIP)	930	(173)	33	0	790	Neighbourhood Capital Investment Plan schemes across the 5 geographical areas are determined and approved by Area Committee and are also supported from other funding sources such as S106 developer contributions. The spend in 2023/2024 is £0.790m resulting in £0.173m budget to be reprofiled from that year into 2024/2025.
Parklife Football Hubs	102	(99)	(49)	0	(46)	A budget of £0.099m is to be reprofiled into 2024/2025 for ecology works in that year, and the £0.049m balance of budget is a saving against this project.
Other Projects	1,303	(231)	77	0	1,149	Minor variations (<£0.100m) to several projects.
Total Vibrant City	9,365	(1,391)	61	0	8,035	
TOTAL CAPITAL PROGRAMME	193,380	(54,500)	287	1,099	140,266	
Reprofiling to 2024/2025		(22,665)				
Reprofiling to 2025/2026 and Beyond		(31,835)				