

CABINET MEETING – 9 FEBRUARY 2021

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Capital Programme 2021/2022 to 2024/2025 and Treasury Management Policy and Strategy 2021/2022, including Prudential Indicators for 2021/2022 to 2024/2025

Author(s):

Executive Director of Corporate Services

Purpose of Report:

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 2021/2022 to 2024/2025 and the Treasury Management Policy and Strategy (including both borrowing and investment strategies) for 2021/2022, to approve the Prudential Indicators for 2021/2022 to 2024/2025 and the Minimum Revenue Provision Statement for 2021/2022.

Description of Decision:

Cabinet is requested to recommend to Council approval of:

- the proposed Capital Programme for 2021/2022;
- the Treasury Management Policy and Strategy for 2021/2022 (including specifically the Annual Borrowing and Investment Strategies);
- the Prudential Indicators for 2021/2022 to 2024/2025; and
- the Minimum Revenue Provision Statement for 2021/2022.

Is the decision consistent with the Budget/Policy Framework?

No – this report is integral in reviewing and amending the Budget and Policy Framework

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

Suggested reason(s) for Decision:

To comply with Statutory requirements

Alternative options to be considered and recommended to be rejected:

No alternative options are submitted for Cabinet consideration.

Impacts analysed;

Equality ☒ Privacy ☒ Sustainability ☒ Crime and Disorder ☒

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

Is this a “Key Decision” as defined in the Constitution? Yes

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

CAPITAL PROGRAMME 2021/2022 TO 2024/2025 AND TREASURY MANAGEMENT POLICY AND STRATEGY 2021/2022, INCLUDING PRUDENTIAL INDICATORS FOR 2021/2022 TO 2024/2025.

Report of the Executive Director of Corporate Services

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 2021/2022 to 2024/2025 and the Treasury Management Policy and Strategy (including both borrowing and investment strategies) for 2021/2022, to approve the Prudential Indicators for 2021/2022 to 2024/2025 and the Minimum Revenue Provision Statement for 2021/2022.

2. Description of Decision

- 2.1 Cabinet is requested to recommend to Council approval of:
- the proposed Capital Programme for 2021/2022;
 - the Treasury Management Policy and Strategy for 2021/2022 (including specifically the Annual Borrowing and Treasury Investment Strategies);
 - the Prudential Indicators for 2021/2022 to 2024/2025; and
 - the Minimum Revenue Provision Statement for 2021/2022.

3. Background

- 3.1 The Council currently has an ambitious approved Capital Programme, with £389m spend profiled over the period 2021/2022 to 2024/2025 linked to the City Plan priorities (see Appendix 1).
- 3.2 On 8th December 2020 Cabinet approved an updated Capital Strategy and a suite of new start capital proposals commencing from 2021/2022 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.
- 3.3 Since the December report to Cabinet, further work has progressed on the development of schemes including the profile of anticipated spend and the programme now presented at Section 4 below includes additional proposed investment in the Vaux Housing scheme of £1.749m and Farringdon Row Phase 1 of £3.730m, further details of which are set out at section 4.6 and Appendix 2 of this report.

4. Capital Programme 2021/2022 to 2024/2025

- 4.1 The proposed Capital Programme for 2021/2022 to 2024/2025 has been set with the aim of delivering on the priorities set out in the City Plan including securing capital investment in the City in order to deliver growth and jobs.
- 4.2 The total proposed programme amounts to £623.498m, with £248.763m programmed in 2021/2022 is set out below:

Expenditure by Portfolio	Estimated Payments				
	2021/2022 £'m	2022/2023 £'m	2023/2024 £'m	2024/2025 £'m	Total £'m
Leader	1.000	0.000	0.000	0.000	1.000
Deputy Leader	101.112	91.447	24.699	1.844	219.102
Cabinet Secretary	19.341	6.642	6.602	0.300	32.885
Children's Learning and Skills	18.706	16.445	5.611	2.705	43.467
Dynamic City	101.906	102.437	37.892	17.716	259.951
Healthy City	2.636	4.300	0.300	0.300	7.536
Vibrant City	4.062	17.563	28.731	9.201	59.557
TOTAL CAPITAL EXPENDITURE	248.763	238.834	103.835	32.066	623.498

4.3 In 2020/2021, the Council committed resources towards a Capital Programme spanning 2020/2021 to 2023/2024. Therefore the proposed 2021/2022 to 2024/2025 programme reflects:

- ongoing capital scheme commitments from previous years of £389.287m (£181.537m in 2021/2022) as set out in Appendix 1;
- new starts / additional investment of £234.211m (£67.226m in 2021/2022) summarised at section 4.6 with further detail set out in Appendix 2.

The details of the full Capital Programme for 2021/2022 to 2024/2025 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 2021/2022 to 2024/2025 – 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 January 2021.

4.4.3 The capital priorities are aligned to the City Plan "Sunderland 2019-2030" priorities of:

- Sunderland will be a dynamic city. This includes more and better jobs, an improved housing offer, improvements to the city centre and a focus on low carbon and digital connectivity;
- Sunderland will be a healthy city. This includes a focus on ensuring that everyone has access to opportunities and life chances to live healthier, longer, independent lives. There will be a focus on a more attractive city and neighbourhoods with better transport networks; and
- Sunderland will be a vibrant city. This includes more creative and cultural businesses, more visitors to Sunderland, more residents participating in their communities and cultural events, and for residents to feel happy in the neighbourhoods where they live and feel safe.

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 2030.

4.5 Resources Available for New Starts / Additional Investments

4.5.1 Resources - Grants

The availability of external funding from significant regional funding programmes, such as the Local Growth Fund, is now restricted. In addition, details of the proposed UK Shared Prosperity Fund are yet to emerge from government. Allocations for the national Housing Infrastructure Fund and Transforming Cities Fund have been confirmed and are included in this report. Allocations for the Future High Streets Fund were announced on 26th December 2020, with Sunderland successful in securing the maximum £25m; this will be subject to a report to Cabinet in March 2021.

As in previous years, resources allocated in respect of Transport, Better Care Fund and Education specific purpose grants will be allocated to those services areas.

The table below details Government Grants announced for 2021/2022 onwards for Transport, Adult Social Care and Schools.

Funding Source	2020/2021	2021/2022
	£'000	£'000
Highways Capital Maintenance	2,660	2,660
Highways Capital Maintenance - Incentive Funding	554	554
Pot Hole & Challenge Fund	2,612	0
Highways Integrated Transport	1,606	1,606
Nexus Allocation	42	42
Transforming Cities Fund	0	5,286
Safer Roads Funding	783	0
Emergency Active Travel Fund - Tranche 1	142	0
Getting Building Fund	350	0
Office for Zero Emission Vehicles	123	0
Total Transport	8,872	10,148
Disabled Facilities Grant	4,055	tbc
Total Adult Social Care	4,055	tbc
Schools Condition Allocation *	1,606	1,097
Education Basic Need	817	3,440
Schools Devolved Funding	312	tbc
Special Educational Needs and Disability (SEND) grant	313	0
Total Department for Education	3,048	4,537

* provisional for 2021/2022

The Council is awaiting further details of some grants that will be awarded to support the 2021/2022 Capital Programme, which will be reported to Cabinet in due course.

At this stage no allocations have been announced beyond 2021/2022.

Appendix 2 sections 2 to 4 set out details of proposed use of the above 2021/2022 funding.

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 capital receipts of £7.749m are used to support the Capital Programme proposals (£nil in 2021/2022 and £7.749m in future years).

Elsewhere on the agenda, the Revenue Budget and Proposed Council Tax report for 2021/2022 sets out the Council's Efficiency Strategy for the period 2021/2022 to 2024/2025. In accordance with Government guidance on the availability of flexibility around the use of capital receipts for transformation purposes, the 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, 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 that time.

The budget includes prudent provision for capital financing charges that may arise from an additional net £144.336m of prudential borrowing (£42.620m in 2021/2022 and £101.716m from 2022/2023 to 2024/2025). 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 current Capital Programme includes for investment in infrastructure for the three enterprise zones of the IAMP site, A19 Ultra Low Carbon Zone and part of the Port of Sunderland. All of the business rates growth generated on these enterprise zones for their 25 year life are payable to the North East Local Enterprise Partnership (LEP). The current programme assumes this resource is then distributed by the North East LEP to meet / contribute to the costs associated with funding the infrastructure works associated with those zones.

4.6 Detailed Proposals for New Starts and Capital Programme 2021/2022 to 2024/2025

- 4.6.1 Following consultation with Portfolio Holders and approval by Cabinet in December 2020, and subsequent work in finalising the investment proposals for Vaux Housing and Farringdon Row Phase 1 (ref 1.5.2 and 1.2.8 in the table below), the projects in the table below are included in the Capital Programme for 2021/2022 to 2024/2025 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 2021/22	Spend Future Years	External Funding	Council Provision in Current Capital Programme	Additional Council Funding
		£m	£m	£m	£m	£m	£m
Leader							
1.1.1	Elmore Green Space and Social Enterprise Development	1.000	1.000	0.000	0.500	0.000	0.500
Total		1.000	1.000	0.000	0.500	0.000	0.500
Deputy Leader							
1.2.1	Sunderland Central Station Redevelopment & Car Park	27.989	6.540	21.449	19.677	4.362	3.950
1.2.2	Holmeside Bus Rationalisation and Priority Measures	1.135	0.500	0.635	0.880	0.000	0.255
1.2.3	Strategic Cycle Network	5.609	3.109	2.500	4.406	0.000	1.203
1.2.4	Energy and Carbon 2030 Development	3.200	0.800	2.400	0.000	0.000	3.200
1.2.5	Open Spaces and Allotment Improvements	2.500	1.000	1.500	0.197	0.000	2.303
1.2.6	Vehicle Actuated Signs (VAS) Programme	0.200	0.050	0.150	0.000	0.000	0.200
1.2.7	Fleet - Bulky Waste Collection Service	0.150	0.150	0.000	0.000	0.000	0.150
1.2.8	Farringdon Row Phase 1	3.730	0.000	3.730	0.000	0.000	3.730
Total		44.513	12.149	32.364	25.160	4.362	14.991
Cabinet Secretary							
1.3.1	Internet Filtering, Firewall and Monitoring Solution and Upgrade to Gigabit Capable Fibre Connectivity	1.000	0.400	0.600	0.000	0.000	1.000
1.3.2	Salix Decarbonisation Fund	1.000	0.100	0.900	1.000	0.000	0.000
1.3.3	Re-procurement of AutoCAD licences	0.600	0.600	0.000	0.000	0.000	0.600
Total		2.600	1.100	1.500	1.000	0.000	1.600
Children, Learning and Skills							
1.4.1	Barnes Junior School Refurbishment	2.500	0.000	2.500	0.400	0.000	2.100
1.4.2	Fulwell Junior School Refurbishment	2.500	0.000	2.500	0.400	0.000	2.100
1.4.3	School Meals Kitchen Equipment Replacement	0.150	0.150	0.000	0.000	0.000	0.150
Total		5.150	0.150	5.000	0.800	0.000	4.350
Dynamic City							
1.5.1	Riverside Sunderland Infrastructure	32.000	16.000	16.000	0.000	0.000	32.000
1.5.2	Vaux Housing	40.153	11.743	28.410	6.913	0.000	33.240
1.5.3	Northern Spire Park	23.003	2.500	20.503	14.244	0.000	8.759
1.5.4	Housing Other Sites	3.999	1.624	2.375	1.500	0.000	2.499
1.5.5	Willowfield Supported Village	16.000	1.157	14.843	3.500	0.000	12.500
1.5.6	Inspiring Futures Programme - Delivering a new approach to Homelessness Services and Accommodation	7.229	4.858	2.371	1.935	2.400	2.894
1.5.7	HICSA (Housing Innovation Construction & Skills Academy)	10.950	5.000	5.950	5.475	0.000	5.475
1.5.8	Commercial Road Development	4.000	2.000	2.000	0.000	0.000	4.000
1.5.9	City Centre Highways Improvements	3.000	0.000	3.000	1.980	0.000	1.020
Total		140.334	44.882	95.452	35.547	2.400	102.387
Healthy City							
1.6.1	ICT / Assistive Technology	1.400	0.500	0.900	0.000	0.000	1.400
Total		1.400	0.500	0.900	0.000	0.000	1.400
Vibrant City							
1.7.1	Culture House	27.225	0.606	26.619	14.167	0.000	13.058
1.7.2	Washington F Pit Heritage Visitor Centre and Albany Park Improvements	4.650	0.300	4.350	0.000	0.000	4.650
1.7.3	Digitisation of Local History & Library Collections	0.650	0.300	0.350	0.000	0.000	0.650
1.7.4	Redesign and Replacement of City Centre Christmas Lighting	0.150	0.150	0.000	0.000	0.000	0.150
1.7.5	Festival of Light	0.600	0.150	0.450	0.000	0.000	0.600
Total		33.275	1.506	31.769	14.167	0.000	19.108
Service New Grant Allocations							
2.0	Transport (Highways) Schemes	4.062	4.062	0.000	4.062	0.000	0.000
3.0	Adult Social Care - awaiting Better Care Fund Allocation	0.000	0.000	0.000	0.000	0.000	0.000
4.0	Education	1.877	1.877	0.000	1.877	0.000	0.000
Total		5.939	5.939	0.000	5.939	0.000	0.000
TOTAL OF INVESTMENT PROPOSALS		234.211	67.226	166.985	83.113	6.762	144.336

- 4.6.3 The proposed additional new starts investment totals £234.211m, (£67.226m in 2021/2022 and £166.985m in future years). Of the total £234.211m:
- £83.113m is externally funded, including £7.749m capital receipts;
 - £6.762m is existing Council funding already included in the current Capital Programme; and
 - The remaining balance of £144.336m is to be met from available Council resources primarily via prudential borrowing.

It is important to note that:

- 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 8th December 2020 for inclusion in this Capital Programme report. The Scrutiny Coordinating Committee on 14th January 2021 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 2017.
- 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;
 - 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 December 2020 and approved by Council in January 2021. The 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 2021/2022, taking into account all matters specified in the 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 31st 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 Ministry of Housing, Communities and Local Government (MHCLG) guidance when assessing its MRP. MHCLG revised their MRP guidance in February 2018 and this guidance has been considered when setting the MRP policy for 2021/2022. Authorities 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.
- 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 1st April 2008 (being the date when regulations came into force) around £43.5m less MRP would have been charged between 1st April 2008 and 31st 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 2020/2021 and the recommended Minimum Revenue Provision Statement for 2021/2022 is set out in Appendix 5.

6. Treasury Management

6.1 General

Treasury Management is defined as “the management of the local authority’s 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
- to set out its Treasury Management Strategy 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 MHCLG ‘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 2017. The Council is statutorily required to have regard to this advice when setting its Treasury Management Policy Statement and Treasury Management Strategy. Changes to the MHCLG investment guidance focused particularly on non-treasury commercial investments which are reported within the Commercial Activity – Investment Strategy section of the Capital Strategy rather than in the Treasury Management Strategy. 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.

Should the Council borrow to fund any non-treasury investment, there will be an explanation of why borrowing was required and why the MHCLG 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 re-affirm 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.

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 Executive Director of Corporate Services, 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 2021/2022

- 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 2021/2022.
- 6.4.2 There are no major changes proposed to the overall Treasury Management Strategy in 2021/2022, 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 2021/2022 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 treasury management practices 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 2020/2021 using the prudent treasury management strategy adopted shows that the current average rate of borrowing at 2.91% is low in comparison with other local authorities whilst the current rate earned on investments at 0.46% is higher than the benchmark rate of -0.07%. 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.

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

- 10.1 Appendix 1 - Capital Commitments into 2021/2022
Appendix 2 - Capital Programme 2021/2022 New Starts / Additional Investments
Appendix 3 - Capital Programme 2020/2021 to 2024/2025
Appendix 4 - Prudential and Treasury indicators 2021/2022 to 2024/2025
Appendix 5 - Minimum Revenue Provision Policy Statement 2021/2022
Appendix 6 - Treasury Management Policy Statement
Appendix 7 - Treasury Management Strategy Statement for 2021/2022

11. Background Papers

Cabinet Report – 8^h December 2020 - Capital Programme Planning 2021/2022 to 2024/2025 and Capital Strategy

Current Approved Capital Programme Commitments from 2021/2022 to 2024/2025

Project	Existing Capital Programme		
	2021/2022 £m	2022/2023 to 2024/2025 £m	TOTAL £m
Housing Delivery Investment Plan	15.804	38.603	54.407
Farringdon Row Phase 1	4.982	30.000	34.982
Strategic Acquisitions and Developments	24.153	8.513	32.666
Sunderland Museum and Winter Gardens Redevelopment	0.400	21.155	21.555
International Advanced Manufacturing Park (IAMP)	7.185	13.564	20.749
Riverside Sunderland Infrastructure	8.584	7.050	15.634
Vaux Multi-Storey Car Park	8.750	5.000	13.750
Sunningdale Primary School - new build	8.163	4.632	12.795
Smart Cities Project	6.813	5.504	12.317
Redevelopment of Parsons Depot inc Electrical Vehicle Infrastructure	9.351	0.000	9.351
SSTC Phase 3 Road	9.259	0.000	9.259
Coastal Defence - Strategic Frontage 3	1.825	7.408	9.233
Planned Property Capital Maintenance	3.815	5.000	8.815
SSGA - Ryhope Doxford Link Road	3.717	4.081	7.798
Crowtree Square Retail Unit	2.000	5.074	7.074
Highways Asset Investment Programme	4.250	2.750	7.000
Thorney Close Primary School - new build	0.030	6.831	6.861
Replacement Crematorium	1.945	4.055	6.000
Hetton Primary School - new build	3.068	2.510	5.578
Day Centre Transformation & Improvement	1.500	4.000	5.500
City Way Dualling	5.486	0.000	5.486
Seaton Lane Junction Imps–Durham CC	2.240	3.127	5.367
Scheme Feasibility & Design	3.720	0.750	4.470
City Hall - Furniture and Equipment	3.953	0.000	3.953
Newbottle Primary Academy Extension & ASD Unit	0.450	3.501	3.951
Refuse Collection Vehicle Replacement Programme	0.000	3.780	3.780
Investment Corridors	1.431	2.236	3.667
Replacement Household Waste and Recycling Centre	3.528	0.000	3.528
Port Enterprise Zone	3.295	0.000	3.295
Barnes Junior School Dining Block Replacement & Add'l Studio Space	1.483	1.366	2.849
Solar PV Battery Storage	2.590	0.000	2.590
Parklife Football Hubs	0.000	2.571	2.571
Bridge Maintenance Programme	2.381	1.000	3.381
Port Warehousing Developments	0.500	1.880	2.380
Neighbourhood Renewal	2.156	0.000	2.156
Seaburn Public Realm	1.114	1.000	2.114
International Innovation Centre	0.500	1.591	2.091
City Way Car Park	0.200	1.875	2.075
Vaux Phase 1	1.743	0.000	1.743
Empty Properties Programme	1.544	0.000	1.544
Flood and Extreme Weather Mitigation	0.500	1.000	1.500
Public Realm - Former Crowtree Road Leisure Centre	1.438	0.000	1.438
Environmental Services Vehicles and Equipment	0.275	1.133	1.408
Provision for Economic Development	0.700	0.700	1.400
ICT Infrastructure	0.450	0.790	1.240
Willow Wood Primary School - new build	1.171	0.061	1.232
Hillthorn Business Park - Power Supply	1.192	0.000	1.192
Specialist (Large) Vehicle Replacement Programme	0.813	0.356	1.169
Children's Residential Homes	1.000	0.000	1.000
Other Schemes (<£1m)	10.090	3.303	13.393
TOTAL CURRENT PROGRAMME	181.537	207.750	389.287

Capital Programme 2021/2022 to 2024/2025 – New Starts / Additional Investments

1. Other Capital New Start / Additional Investment Proposals 2021/2022 to 2024/2025

The following projects are proposed for inclusion in the 2021/2022 to 2024/2025 Capital Programme. Gross amounts represent the total estimated project cost. For projects with external funding provision, the net amounts represent the estimated net increase in the Council's financial investment after taking into account external funding / funding from non-Council sources or existing Capital Programme provision. The figures in brackets show the anticipated annual gross spend profile for each scheme.

1.1 Leader New Start Proposals

1.1.1 Elemore Green Space and Social Enterprise Development - £1.000m gross, £0.500m net, all in 2021/2022

This project will provide funding to undertake a feasibility study (including significant resident and community consultation) to determine potential opportunities to develop the former Elemore Golf Course at Hetton. Following completion of the feasibility study and all planning restriction requirements, external funding will be sought alongside support from the Coalfield Area Neighbourhood Investment capital programme. The £1m project cost is reliant upon securing £0.5m external funding, and if successful, to then undertake capital improvement works to the former golf club, car park and adjacent green space. 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.

Area Outcomes / Benefits and Contribution to Strategic Priorities

- Dynamic City: more and better jobs
- Dynamic City: more and better skills and qualifications
- Dynamic City: low carbon city and digital connectivity for all
- Healthy City: access to same opportunities and life chances
- Healthy City: more people living healthier for longer
- Healthy City: people enjoy independent lives
- Healthy City: cleaner and more attractive city and neighbourhoods
- Vibrant City: more creative and cultural businesses
- Vibrant City: more residents participating in the communities
- Vibrant City: more visitors visiting Sunderland and residents participating in events
- Vibrant City: more people feel safe in their neighbourhoods and homes
- Vibrant City: more resilient people

1.2 Deputy Leader New Start Proposals

1.2.1 Sunderland Central Station Redevelopment & Car Park - £27.989m gross, £3.950m net (£19.677m external funding and £4.362m provided for in the current Capital Programme), (£6.540m in 2021/2022, £19.949m in 2022/2023 and £1.500m in 2023/2024)

Redevelopment of the Sunderland Central Station & car park. This will be via the demolition and reconstruction of the main southern concourse of the Station above platform level with the provision of 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. The project will be supported by external funding from the Transforming Cities Fund (Tranche 2).

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment to rebuild the station at concourse level, to provide modern, attractive facilities for a better passenger experience will also serve as a gateway focal point for the retail core of Sunderland, with the corresponding benefits to businesses, commuters and visitors to the city. It's aspiration as a university hub also means an enhanced railway station has potential to serve more students and help drive the growth of the fledgling knowledge industry and promote low carbon travel. Establishing a 500-space car park on the nearby Holmeside site will facilitate both pre-paid permits and pay & display parking and will provide the Council with a revenue stream. Although its primary benefit will be to offer park and ride support to heavy rail users the car park will be a city-wide asset for the occupants and visitors to the City Centre. In addition, the project will contribute to the following strategic priorities:

- Dynamic City: more and better jobs
- Dynamic City: stronger City Centre
- Dynamic City: low carbon city and digital connectivity for all
- Healthy City: access to same opportunities and life chances
- Healthy City: more people living healthier for longer
- Healthy City: people enjoy independent lives
- Healthy City: cleaner and more attractive city and neighbourhoods
- Healthy City: city with great transport and travel links
- Vibrant City: more creative and cultural businesses
- Vibrant City: more visitors visiting Sunderland and residents participating in events
- Vibrant City: more people feel safe in their neighbourhoods and homes

1.2.2 Holmeside Bus Rationalisation and Priority Measures – £1.135m gross, £0.255m net (£0.500m in 2021/2022 and £0.635m in 2022/2023)

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. The project will be supported by external funding from the Transforming Cities Fund (Tranche 2).

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will help with congestion reduction, ensure bus journey time improvements and enhance road safety for all highway users. Infrastructure improvements will enhance the travelling experience for bus passengers and encourage the take up of this mode of travel. The measures will also contribute to the following strategic priorities:

- Dynamic City: more and better jobs
- Dynamic City: stronger City Centre
- Dynamic City: low carbon city and digital connectivity for all
- Healthy City: access to same opportunities and life chances
- Healthy City: more people living healthier for longer
- Healthy City: people enjoy independent lives
- Healthy City: cleaner and more attractive city and neighbourhoods
- Healthy City: city with great transport and travel links
- Vibrant City: more creative and cultural businesses
- Vibrant City: more visitors visiting Sunderland and residents participating in events
- Vibrant City: more people feel safe in their neighbourhoods and homes

1.2.3 Strategic Cycle Network - £5.609m gross, £1.203m net (£3.109m in 2021/2022 and £2.500m in 2022/2023)

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. The project will be supported by external funding from the Transforming Cities Fund (Tranche 2).

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will support economic regeneration, broader labour market access for employers, modal shift for short-medium length trips, equitable access to travel solutions, and encourage increasingly active living for health reducing health care costs and will contribute to the following strategic priorities:

- Dynamic City: more and better jobs
- Dynamic City: stronger City Centre
- Dynamic City: low carbon city and digital connectivity for all
- Healthy City: access to same opportunities and life chances
- Healthy City: more people living healthier for longer
- Healthy City: people enjoy independent lives
- Healthy City: cleaner and more attractive city and neighbourhoods
- Healthy City: city with great transport and travel links
- Vibrant City: more creative and cultural businesses
- Vibrant City: more visitors visiting Sunderland and residents participating in events
- Vibrant City: more people feel safe in their neighbourhoods and homes

1.2.4 Energy and Carbon 2030 Development - £3.200m gross (£0.800m p.a. in 2021/2022 to 2024/2025)

A feasibility study was undertaken aligned to implementing the Carbon 2030 policy and to secure energy conservation and reduction in costs set against the move away from fossil fuels to renewables. The medium future is a transition shift away from gas towards a much greater electricity dominant infrastructure coupled with renewables. The shift to electric vehicles is visible worldwide. The Department for Business, Energy and Industrial Strategy have reviewed electricity cost predictions which shows that UK costs are set to increase over the next 5 years. The major high demand users of electricity face serious challenges, for example manufacturing faces a severe challenge against competitiveness with the rest of the world; similarly, the Riverside Sunderland development investment and the wider Council asset base face rising operational costs. This project seeks the procurement of an operator/generator/advisor with institutional

experience in successful green energy and a portfolio of projects initially for a 5 year partnership to develop the response in the medium term to Carbon 2030 and to identify the long term strategy for:

- The IAMP Employment Catchment (including Nissan, IAMP Phase 1 and 2, Gigaplant, Washington Meadows, Hillthorn Business Park); and
- Riverside Sunderland and the City Catchment working with the investors to achieve the carbon neutral targets.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will:

- secure existing manufacturing jobs within the catchment area by reducing energy costs, attract more investment into that area bringing more jobs and boosting the economy,
- give Sunderland the strategic direction required for the next 20 years to 2040 and place Sunderland at the centre of the Government climate emergency and carbon reduction strategy, and
- change the City in the way we live and work with Riverside Sunderland developing as the model for the new way of living and the City into the future.

Overall it will contribute to the following strategic priorities:

- Dynamic City: more and better jobs
- Dynamic City: more and better housing
- Dynamic City: more and better skills and qualifications
- Dynamic City: stronger City Centre
- Dynamic City: low carbon city and digital connectivity for all
- Healthy City: more people living healthier for longer
- Healthy City: people enjoy independent lives
- Healthy City: cleaner and more attractive city and neighbourhoods
- Vibrant City: more creative and cultural businesses
- Vibrant City: more residents participating in the communities
- Vibrant City: more visitors visiting Sunderland and residents participating in events
- Vibrant City: more people feel safe in their neighbourhoods and homes
- Vibrant City: more resilient people

1.2.5 Open Spaces and Allotment Improvements - £2.500m gross, £2.303m net (£1.000m in 2021/2022 and £1.500m in 2022/2023)

This project will support a Citywide Parks and Open Spaces Strategy to improve open spaces and allotments infrastructure. Parks and greenspaces will be enhanced at a number of locations citywide. In addition, demand for allotments has also grown significantly, particularly during 'lockdown' in 2020 a further 1,500 requests have been received from residents wishing to take an allotment tenancy. In order to seek to satisfy demand, the project will seek to recover redundant plots within existing sites, with the aim of bringing allotment plots back into use by improving the allotment plots where a current tenancy has been cancelled or abandoned. Scoping work will also identify suitable areas of land where further additional allotment plots / community gardens can be provided. The project is supported by £0.197m developer contributions towards the provision of allotments.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will support residents in being more physically and socially active through the provision of additional allotment plots and community gardens to grow produce, whilst improvements will also be made to parks and open spaces infrastructure, and will contribute to the following strategic priorities:

- Healthy City: access to same opportunities and life chances
- Healthy City: more people living healthier for longer
- Healthy City: people enjoy independent lives
- Healthy City: cleaner and more attractive city and neighbourhoods
- Vibrant City: more residents participating in the communities
- Vibrant City: more people feel safe in their neighbourhoods and homes
- Vibrant City: more resilient people

1.2.6 Vehicle Actuated Signs Programme - £0.200m gross (£0.050m p.a. in 2021/2022 to 2024/2025)

Purchase of new and replacement Vehicle Actuated Signs (VAS) as part of the citywide VAS programme.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment in new signs will further support the existing VAS programme of work by enabling the upgrade of signs coming to the end of their working life and also allow the expansion of the VAS programme to areas of the city where there are community concerns of inappropriate vehicle speeds and conventional signing and/or enforcement has not been effective. The signs will also contribute to the following strategic priorities:

- Healthy City: cleaner and more attractive city and neighbourhoods
- Healthy City: city with great transport and travel links
- Vibrant City: more people feel safe in their neighbourhoods and homes

1.2.7 Fleet - Bulky Waste Collection Service - £0.150m gross, all in 2021/2022

Action to improve the bulky household waste collection offer that has been extremely successful. To cope with anticipated sustained demand into next year and onwards two additional specialist service vehicles to collect this waste will be purchased. It is expected that this investment will also reduce the level of fly tipping or waste in rear lanes and make the service more accessible by reducing service lead in times.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment provides city-wide customer service delivery, and will contribute to the following strategic priorities:

- Healthy City: cleaner and more attractive city and neighbourhoods
- Vibrant City: more people feel safe in their neighbourhoods and homes

1.2.8 Farringdon Row Phase 1 £3.730m project cost variation, all in 2023/2024

Additional cost following further feasibility and design work undertaken in conjunction with the prospective tenant for the facility to be located at Farringdon Row. The cost increase will be fully funded through the rental payments payable under the long-term lease with the prospective tenant. Cabinet will receive a report detailing the proposed arrangements prior to any works being procured.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will support the city-wide population through increased opportunities for footfall in the city centre, and will contribute to the following strategic priorities:

- Dynamic City: more and better jobs
- Dynamic City: stronger City Centre

1.3 Cabinet Secretary New Start Proposals

1.3.1 Internet Filtering, Firewall and Monitoring Solution and Upgrade to Gigabit Capable Fibre Connectivity - £1.000m gross (£0.400m in 2021/2022, £0.300m in 2022/2023 and £0.300m in 2023/2024)

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.

Area Outcomes / Benefits and Contribution to Strategic Priority:

Having fit for purpose and resilient technical solutions for ICT users underpins the effective running of the Council and therefore indirectly supports the delivery of the City Plan.

1.3.2 Salix Decarbonisation Fund - £1.000m gross, £nil net - £0.500m external Salix funding and £0.500m ring-fenced Salix reserve (£0.100m in 2021/2022, £0.300m in 2022/2023, £0.300m in 2023/2024 and £0.300m in 2024/2025)

Creation of a recycling decarbonisation fund for energy conservation and renewable energy technology measures (e.g. solar panels) in Council operational buildings and schools. The recycling element of this fund allows the savings to repay the capital cost of works and for funds to be reinvested, thus providing a sustainable long-term fund for low carbon measures. 50% of the fund will be resourced via accessing funding from Department for Business, Energy and Industrial Strategy (BEIS) via Salix Finance who administer the funding on behalf of BEIS.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will reduce energy consumption, energy cost and carbon emissions, and will contribute to the following strategic priorities:

- Dynamic City: more and better jobs
- Dynamic City: more and better skills and qualifications
- Dynamic City: low carbon city and digital connectivity for all
- Healthy City: cleaner and more attractive city and neighbourhoods

1.3.3 Re-procurement of AutoCAD licences - £0.600m gross, all in 2021/2022

Provision for the replacement of computer aided design (CAD) software for use by the Council's architect, engineering and construction teams. This design software supports the operational and capital development delivery across the Council.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will underpin the effective delivery of a number of key Council services, and will contribute to the following strategic priorities:

- Dynamic City: more and better housing
- Dynamic City: stronger City Centre
- Dynamic City: low carbon city and digital connectivity for all

- Healthy City: cleaner and more attractive city and neighbourhoods
- Healthy City: city with great transport and travel links
- Vibrant City: more visitors visiting Sunderland and residents participating in events

1.4 Children, Learning and Skills New Start Proposals

1.4.1 Barnes Junior School Refurbishment - £2.500m gross, £2.100m net, all in 2022/2023

Structural repair, electrical and mechanical works at Barnes Junior School. Planned works to include upgrades / replacement of; windows, doors, heat sources as well as internal alterations and refurbishments. Project to be supported, in part, by the schools' capital grants provided for this purpose.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

This project will directly benefit residents in the west area of the city. It will improve the condition of the maintained school sector and ensure that more children in Sunderland are able to learn in safe, modern learning environments and will contribute to the following strategic priorities:

- Dynamic City: more and better skills and qualifications
- Dynamic City: low carbon city and digital connectivity for all
- Healthy City: cleaner and more attractive city and neighbourhoods

1.4.2 Fulwell Junior School Refurbishment - £2.500m gross, £2.100m net, all in 2022/2023

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. Project to be supported, in part, by the schools' capital grants provided for this purpose.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

This project will directly benefit residents in the North area of the city. It will enable the pupils at the school to access education in safe and healthy buildings, increase the access to hot, healthy school meals for pupils on roll, modernise teaching facilities and reduce the risk of unplanned closures due to major condition failures and will contribute to the following strategic priorities:

- Dynamic City: more and better skills and qualifications
- Dynamic City: low carbon city and digital connectivity for all
- Healthy City: cleaner and more attractive city and neighbourhoods

1.4.3 School Meals Kitchen Equipment Replacement - £0.150m gross, all in 2021/2022

A condition survey of school meals equipment across all schools where the school meals service is provided by the Council's in-house catering team has identified the need for an upgrade to equipment inventory. This project will replace all equipment identified from that survey.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

This project will replace a number of pieces of school meals equipment and will contribute to the following strategic priority:

- Healthy City: more people living healthier for longer

1.5 Dynamic City New Start Proposals

1.5.1 Riverside Sunderland Infrastructure - £32.000m gross (£16.000m in 2021/2022, £12.000m in 2022/2023 and £4.000m in 2023/2024)

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, Farringdon Row, Galley's Gill, Riverside Park and High Street West to the south. The Riverside Sunderland Masterplan was launched November 2019. This Plan will play a big part in achieving the goals of the City Plan, helping us to become a dynamic, healthy and vibrant international city. Over the next 10-15 years, 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 square foot of commercial development, a number of integrated infrastructure improvements are 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. This funding will supplement the funding approved last year for this purpose.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will support the city-wide population through improved public infrastructure in the city, by providing better connections and movement between the surrounding residential neighbourhoods and employment opportunities, ensuring the Park is a city-wide asset, and will contribute to the following strategic priorities:

- Dynamic City: more and better jobs
- Dynamic City: stronger City Centre
- Dynamic City: low carbon city and digital connectivity for all
- Healthy City: cleaner and more attractive city and neighbourhoods
- Healthy City: city with great transport and travel links
- Vibrant City: more creative and cultural businesses
- Vibrant City: more visitors visiting Sunderland and residents participating in events
- Vibrant City: more people feel safe in their neighbourhoods and homes

1.5.2 Vaux Housing - £40.153m gross, £33.240m net (£11.743m in 2021/2022, £25.284m in 2022/2023 and £3.126m in 2023/2024)

This project funds the design and development of a new residential scheme on the former Vaux site consisting of carbon neutral dwellings for rent and sale. The housing development will complement the wider masterplan for Riverside Sunderland and the investment already made in 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. The project is expected to be supported by grants from Homes England, and

the commercial business case demonstrates the recovery of the capital investment over a 25-year period from rental income and property sales.

Since the report to Cabinet 8th December 2020, further design development of the capital requirement for the Vaux Housing scheme has increased the gross cost estimate by £1.749m from £38.404m, with an increase of £1.993m Council funding and a reduced external funding allowance of £0.244m. The increase in capital costs results from advice received from specialist Modern Methods of Construction component providers during soft market testing, setting more challenging carbon reduction targets, and incorporating an enhanced allowance for off-site car parking following clarification of the cost of provision in the new Farringdon Row multi storey car park. The reduction in external funding reflects the removal of some excluded costs prior to the submission of the final ERDF funding bid on the advice of MHCLG. Further analysis of the delivery programme and revision of the construction and phasing strategy has also determined a need to expedite capital spend to ensure that elements of the project are co-ordinated with other developments on the Vaux site and are complete in sufficient time to support the Expo programme. The capital spend profile has been updated to reflect the revised delivery strategy. A full business case for the delivery of the Vaux Housing scheme, including details of any third-party funding, will be presented to Cabinet for approval prior to commencement of the development.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will provide a new high-quality housing offer in a vibrant well-connected community, creating a place where people want to live. It will support the repopulation of the city centre and the associated economic growth. It will also contribute to the following strategic priorities:

- Dynamic City: more and better housing
- Dynamic City: stronger City Centre
- Dynamic City: low carbon city and digital connectivity for all
- Healthy City: more people living healthier for longer
- Healthy City: cleaner and more attractive city and neighbourhoods
- Vibrant City: more residents participating in the communities
- Vibrant City: more visitors visiting Sunderland and residents participating in events
- Vibrant City: more people feel safe in their neighbourhoods and homes

1.5.3 Northern Spire Park - £23.003m gross, £8.759m net (£2.500m in 2021/2022, £8.703m in 2022/2023, £7.800m in 2023/2024 and £4.000m in 2024/2025)

Infrastructure, remediation works and the strategic acquisition of adjacent land and buildings to enable a high quality and affordable new housing development on the former Groves Cranes site. The project is expected to be supported by grants from Homes England. The commercial business case demonstrates the recovery of the capital investment over a 15-year period from sale of land to developers.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will help to regenerate a neglected former industrial site to create an attractive new riverside residential community flanking the Northern Spire Bridge and the strategic transport corridor. It will provide a mixed tenure housing solution, using factory manufactured and highly sustainable new homes, that provide high quality and affordable edge of city living. It will contribute to the following strategic priorities:

- Dynamic City: more and better jobs
- Dynamic City: more and better housing

- Dynamic City: more and better skills and qualifications
- Dynamic City: low carbon city and digital connectivity for all
- Healthy City: more people living healthier for longer
- Healthy City: people enjoy independent lives
- Healthy City: cleaner and more attractive city and neighbourhoods
- Vibrant City: more residents participating in the communities
- Vibrant City: more people feel safe in their neighbourhoods and homes

1.5.4 Housing Other Sites - £3.999m gross, £2.499m net (£1.624m in 2021/2022, £0.875m in 2022/2023, £1.000m in 2023/2024 and £0.500m in 2024/2025)

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.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will help to unlock stalled development sites, support regeneration and placemaking, and ensure the delivery of a high-quality housing offer across the city. It will contribute to the following strategic priorities:

- Dynamic City: more and better jobs
- Dynamic City: more and better housing
- Dynamic City: more and better skills and qualifications
- Dynamic City: stronger City Centre
- Dynamic City: low carbon city and digital connectivity for all
- Healthy City: more people living healthier for longer
- Healthy City: cleaner and more attractive city and neighbourhoods
- Healthy City: city with great transport and travel links
- Vibrant City: more residents participating in the communities
- Vibrant City: more visitors visiting Sunderland and residents participating in events
- Vibrant City: more people feel safe in their neighbourhoods and homes

1.5.5 Willowfield Supported Village - £16.000m gross, £12.500m net (£1.157m in 2021/2022, £11.843m in 2022/2023 and £3.000m in 2023/2024)

The project will provide self-contained supported living apartments for those adults requiring Extra Care and those living with the onset of Dementia. The scheme will also incorporate a separate Intermediate Care unit consisting of apartments with en-suite bedrooms and rehabilitation support, which will be used by the Council and health partners. The project is expected to be supported by grants from Homes England, and the net investment is expected to be recouped by rental income.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will ensure a range of specialist and supported accommodation is available in the City for vulnerable groups, and will contribute to the following strategic priorities:

- Dynamic City: more and better jobs
- Dynamic City: more and better housing
- Dynamic City: low carbon city and digital connectivity for all
- Healthy City: more people living healthier for longer
- Healthy City: people enjoy independent lives
- Vibrant City: more people feel safe in their neighbourhoods and homes

1.5.6 Inspiring Futures Programme - Delivering a new approach to Homelessness Services and Accommodation - £7.229m gross, £2.894m net - £1.935m external funding and £2.400m provided for in the current Capital Programme (£4.858m in 2021/2022 and £2.371m in 2022/2023)

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 Ministry for Housing, Communities and Local Government, and the net investment is expected to be recouped by rental income.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will ensure a range of supported accommodation is available in the City for vulnerable groups, and will contribute to the following strategic priorities:

- Dynamic City: more and better jobs
- Dynamic City: more and better housing
- Healthy City: access to same opportunities and life chances
- Healthy City: more people living healthier for longer
- Healthy City: people enjoy independent lives
- Vibrant City: more people feel safe in their neighbourhoods and homes
- Vibrant City: more resilient people

1.5.7 HICSA (Housing Innovation Construction & Skills Academy) - £10.950m gross, £5.475m net (£5.000m in 2021/2022 and £5.950m in 2022/2023)

Provision for the 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 expected to be supported by central government grants.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will help to educate and train the housing workforce of the future, allowing Sunderland to build on its manufacturing heritage and create new and alternative employment opportunities for local people. It will provide a critical link between academia and industry and will support the creation of a new regional off-site manufacturing hub within Sunderland. It will contribute to the following strategic priorities:

- Dynamic City: more and better jobs
- Dynamic City: more and better housing
- Dynamic City: more and better skills and qualifications
- Healthy City: access to same opportunities and life chances
- Vibrant City: more residents participating in the communities

1.5.8 Commercial Road Development - £4.000m gross (£2.000m in 2021/2022 and 2022/2023)

The project will undertake the development of a site at Commercial Road, providing:

- A mixture of industrial and trade counter units;
- Promotion of the regeneration of the Commercial Road corridor and in turn will encourage additional economic activity at the Port and the Council area;

- A site that will form part of a wider strategic development area which also includes Council assets; and
- Access to the railway line to be included to ensure connectivity to the Port and wider rail network.

The cost of investment, including financing, will be recouped from lease income from the units and is also planned to provide a positive return. The Council will seek pre-lets to ensure the risk of voids is minimised and income is secured on a long-term lease.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will support the creation of local jobs within the local and wider area and the physical and economic regeneration of the Commercial Road corridor providing a modern gateway to the City and will contribute to the following strategic priorities:

- Dynamic City: more and better jobs
- Healthy City: cleaner and more attractive city and neighbourhoods
- Vibrant City: more resilient people

1.5.9 City Centre Highways Improvements - £3.000m gross, £1.020m net (£0.500m in 2022/2023 and £2.500m in 2023/2024)

Highways improvement works at Burdon Road and Cowan Terrace to provide improved access into the new planned residential development on the current civic centre site. External funding is anticipated to be provided through grants from Homes England.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will support the delivery of high quality and effective public realm, optimising accessibility and connectivity of the city centre, Mowbray Park and the civic centre site, and maintaining an appropriate balance between pedestrian and vehicle routes. It will contribute to the following strategic priorities:

- Dynamic City: more and better housing
- Dynamic City: stronger City Centre
- Dynamic City: low carbon city and digital connectivity for all
- Healthy City: more people living healthier for longer
- Healthy City: people enjoy independent lives
- Healthy City: cleaner and more attractive city and neighbourhoods
- Vibrant City: more residents participating in the communities
- Vibrant City: more people feel safe in their neighbourhoods and homes

1.6 Healthy City New Start Proposals

1.6.1 ICT / Assistive Technology - £1.400m gross (£0.500m in 2021/2022, £0.300m in 2022/2023, £0.300m in 2023/2024 and £0.300m in 2024/2025)

Provision for the promotion of independence and wellbeing through the use of digital services and technology. The investment will help to close gaps in health inequalities and better supporting the future financial sustainability of local health and care systems.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

- Dynamic City: more and better jobs
- Healthy City: more people living healthier for longer
- Healthy City: people enjoy independent lives
- Vibrant City: more people feel safe in their neighbourhoods and homes

- Vibrant City: more resilient people

1.7 Vibrant City New Start Proposals

1.7.1 Culture House - £27.225m gross, £13.058m net (£0.606m in 2021/2022, £11.242m in 2022/2023 and £15.377m in 2023/2024)

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 objectives of being Carbon Zero by 2030. The project is part funded through external funding secured from the Future High Street Fund.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

Project will benefit the city's residents, businesses and visitors via the provision of a new and improved facility which will provide access to enhanced educational and cultural services, increasing footfall in the city centre, and will contribute to the following strategic priorities:

- Dynamic City: more and better skills and qualifications
- Dynamic City: stronger City Centre
- Dynamic City: low carbon city and digital connectivity for all
- Healthy City: access to same opportunities and life chances
- Healthy City: more people living healthier for longer
- Healthy City: people enjoy independent lives
- Healthy City: cleaner and more attractive city and neighbourhoods
- Vibrant City: more creative and cultural businesses
- Vibrant City: more residents participating in the communities
- Vibrant City: more visitors visiting Sunderland and residents participating in events
- Vibrant City: more resilient people

1.7.2 Washington F Pit Heritage Visitor Centre and Albany Park Improvements - £4.650m gross (£0.300m in 2021/2022, £1.350m in 2022/2023 and £3.000m in 2023/2024)

Construction of a new heritage visitor centre incorporating exhibition, teaching and community spaces and a café for the museum and park users. Along with repair and improvement works to the existing museum engine house, there will be improvement works to Albany Park including; new play areas, car park, trim trails, wetland area, wildflower meadows, interpretation and dedicated events space.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

- Healthy City: more people living healthier for longer
- Healthy City: cleaner and more attractive city and neighbourhoods
- Vibrant City: more residents participating in the communities
- Vibrant City: more visitors visiting Sunderland and residents participating in events
- Vibrant City: more people feel safe in their neighbourhoods and homes
- Vibrant City: more resilient people

1.7.3 Digitisation of Local History & Library collections - £0.650m gross (£0.300m in 2021/2022, £0.150m in 2022/2023, £0.150m in 2023/2024 and £0.050m in 2024/2025)

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.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The project is a long-term commitment and investment, to protect collections that are either fragile or unique, that need to be protected but also to gradually open up the collection to everyone. There will be opportunities to maximise the collection to enrich key projects and events around the city, for example as projections, films, reminiscence, commercialisation and merchandise. This will contribute to the following strategic priorities:

- Dynamic City: stronger City Centre
- Dynamic City: low carbon city and digital connectivity for all
- Healthy City: access to same opportunities and life chances
- Healthy City: more people living healthier for longer
- Healthy City: people enjoy independent lives
- Vibrant City: more creative and cultural businesses
- Vibrant City: more residents participating in the communities
- Vibrant City: more visitors visiting Sunderland and residents participating in events

1.7.4 Redesign and Replacement of City Centre Christmas Lighting - £0.150m gross, all in 2021/2022

Provision for a City Centre Christmas lighting refresh to complement the work undertaken on the route of lights in the Fawcett Street and St Mary's Boulevard areas.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will replace the current lighting that has aged and no longer has the desired effect of creating a visual impact during the Christmas period of welcoming and encouraging visitors to the city centre, and will contribute to the following strategic priorities:

- Dynamic City: stronger City Centre
- Vibrant City: more visitors visiting Sunderland and residents participating in events

1.7.5 Festival of Light - £0.600m gross (£0.150m p.a. in 2021/2022 to 2024/2025)

Refresh of the lighting offer for the Festival of Light, to support the delivery of the event over a 4-year period.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will allow for new lighting features to refresh the lighting offer annually to ensure the event doesn't become stagnant using the same lighting stock for a prolonged period, and will contribute to the following strategic priorities:

- Dynamic City: stronger City Centre
- Vibrant City: more residents participating in the communities
- Vibrant City: more visitors visiting Sunderland and residents participating in events

2.0 Highways Capital Funding 2021/2022

2.1 Highways Maintenance & Local Transport Plan Allocations

The 5 year settlement the Department for Transport (DfT) allocated for Highways Maintenance and Integrated Transport between 2015/2016 and 2020/2021 ends in March 2021.

In November the Chancellor announced a one-year Spending Review (SR20) in order to prioritise the Government's response to Covid-19 and focus on supporting jobs. SR20 commits £1.125 billion of local roads maintenance funding in 2021/2022, including £500 million for the Potholes Fund to fix potholes and resurface roads. This will be supported by £260 million allocated to Local Authorities in 2021/2022 for shovel-ready local transport schemes through the Integrated Transport Block.

The national figures announced appear to be broadly in line with those allocated in the 2020/2021 financial year and until the confirmation of the local allocations, the values set out in Table 2.7 will be used as provisional allocations for inclusion in the Highway Maintenance and Integrated Transport Capital Programme 2021/2022, except for funding allocations for pot holes which varies year-on-year (for 2020/2021 was via the Challenge Fund).

2.2 Transforming Cities Fund

The Transforming Cities Fund (TCF) builds on the Government's Industrial Strategy and provides city regions with the opportunity to access significant funds for strategic transport and infrastructure projects.

The Council has been provisionally awarded £21.613m from TCF Tranche 2. This includes £16.327m towards the railway station and car park development and £5.286m towards 2 Highways schemes (Holmeside Bus Rationalisation & Priority Measures £0.880m, and Strategic Cycle Network £4.406m).

2.3 Housing Infrastructure Fund (HIF)

A Housing Infrastructure Fund (HIF) bid to Ministry of Housing, Communities and Local Government (MHCLG) was submitted March 2019, seeking £25.4m funding. In March 2020 MHCLG confirmed that the Council's HIF funding bid had been successful and the full £25.4m was provisionally awarded. On 30th October 2020 the Council entered into a Grant Determination Agreement (GDA) with MHCLG which secured the funding subject to the discharge of certain conditions relating to the delivery of the projects. The grant will provide significant support towards vital infrastructure works, including highways and education infrastructure, required to bring forward the housing development in the Sunderland Southern Growth Area more quickly.

2.4 Emergency Active Travel Fund

As part of work to combat the COVID-19 pandemic, a Tranche 1 allocation of £0.221m (£0.142 Capital & £0.079m Revenue) was awarded to Sunderland to encourage active travel and to enable social distancing during the restart after national lockdown.

A bid for Tranche 2 funds, to be distributed via NECA, is oversubscribed with only 1 Sunderland scheme expected to be approved – c.£1.16m of funding for the A183 Whitburn Rd project (Tram Shelter to Roker Café). Upon full approval of this funding, this will be reported to Cabinet to approve the Capital Programme variation.

2.5 Getting Building Fund

Sunderland had been awarded a total £7.0m from the Getting Building Fund, of which £0.350m is towards the Sustainability Mobility Hub, matched by £0.400m Council funding. The remaining £6.650m grant has been awarded towards 5G Next Generation Digital infrastructure / Riverside Sunderland strategic infrastructure works and Hillthorn EZ Energy infrastructure works. All funding is included in the current approved Capital Programme.

2.6 Office for Zero Emission Vehicles

The Office for Zero Emission Vehicles awarded in 2020/2021 an allocation to cover costs of installing electric vehicle charging points at Station Car Park, Houghton (£0.054m) and an 'Onstreet Residential Chargepoint Scheme' (£0.069m).

2.7 Funding Allocations

The table below details the Highways Capital Funding announced for 2020/2021 and indicative allocations for 2021/2022.

Funding Source	2020/2021 £'000	2021/2022 £'000
Highways Capital Maintenance	2,660	2,660
Highways Capital Maintenance – Incentive Funding	554	554
Pot Hole & Challenge Fund	2,612	tbc
Highways Integrated Transport	1,606	1,606
Nexus Allocation	42	42
Transforming Cities Fund	0	5,286
Safer Roads Funding	783	tbc
Emergency Active Travel Fund – Tranche 1	142	tbc
Getting Building Fund	350	tbc
Office for Zero Emission Vehicles	123	tbc
Total Transport	8,872	10,148

The total confirmed or provisional funding for transport schemes for 2021/2022 from new grants is £10.148m.

2.8 Proposals for Highways Capital Programme New Starts 2021/2022

The proposed Capital Programme for 2021/2022, excluding funding for the ongoing commitment in relation to the Sunderland Strategic Transport Corridor 3 (SSTC3) Road of £0.8m and the £5.286m re TCF being for new start projects in Section 1 of this appendix, will leave **£4.062m** to support the following priorities:

- The structural maintenance of highways – £1.589m;
- The structural maintenance of bridges – £0.392m;
- Economic development and regeneration by managing congestion; support safe and sustainable communities by improving Road Safety and, improving access; address climate change by promoting sustainable travel - £2.039m (including £0.063m contribution to fund the regional transport team);
- Public transport infrastructure improvements, Nexus funded - £0.042m; and

The use of funding of future years' allocations will be considered at the appropriate time.

3.0 Adult Social Care Capital 2021/2022

- 3.1 The Disabled Facilities Grant original allocation for 2020/2021 is £3.574m, supplemented by £0.1m from Gentoo, providing £3.674m for Disabled Facilities Grants for that year. On 8th December 2020, the MHCLG announced a further £0.481m for Disabled Facilities Grants; whilst this was provided for immediate use, MHCLG provided flexibility to spend in 2021/2022 being aware that councils may require this flexibility due to the COVID-19 pandemic – the allocation for Sunderland has initially been profiled for use in 2021/2022, with any acceleration of this into 2020/2021 reported as necessary.

The Disabled Facilities Grant allocations for 2021/2022 have yet to be confirmed. Upon funding confirmation, proposals will be reported back to Cabinet for approval.

4.0 Children's Services - Education Capital 2021/2022

- 4.1 The table below details the Children's Education Government provisional and announced grants for 2021/2022, with a comparison to 2020/2021.

	2020/21 £'000	2021/22 £'000
Schools Condition Allocation	1,606	1,097*
Education Basic Need	817	3,440
Schools Devolved Funding	312	tbc
Special Educational Needs and Disability (SEND) grant	313	tbc
Total Children's Services	3,048	4,537

**provisional*

4.1.1 Schools Conditions Allocation

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 2021, the Council has not yet received the value of its Schools Condition Allocation for 2021/2022 but a provisional allocation of £1.097m has been included in the Capital Programme, being the same value as the current and previous financial year, less a one-off in-year uplift of £0.509m 2020/2021.

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.

4.1.2 Basic Need

The Council remains the responsible body for 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. The Council received a £0.817m Basic Need

allocation for 2020/2021 and will receive a £3.440m for 2021/2022; the Council has not yet been notified of its allocation beyond that year.

4.1.3 Funding Availability from 2021/2022

Current allocations:

All the Schools Condition Allocation and Basic Needs Education Capital grant allocations up to 2020/2021 are committed for planned spend in that year or as a contribution to major schools projects. This includes £0.692m provisionally allocated for winter and other pressures for the remainder of the year, any unspent at the year-end will be carried forward for use into 2021/2022.

2021/2022 allocations:

The allocations for 2021/2022, confirmed and provisional are:

- Basic Needs funding £3.440m, and
- Schools Condition Allocation £1.097m.
- Total £4.537m.

Of the £4.537m, £2.660m has been committed towards school improvement projects in the Capital Programme including £1.587m for Harry Watts Academy (Harraton site) and Hetton Primary School further improvements, as well as £0.800m towards Barnes and Fulwell Junior Schools, all subject to a separate report considered elsewhere on today's agenda; with the balance of £0.273m committed for other current school projects. The balance of **£1.877m** is not yet committed to projects and therefore available for new and emerging schools' asset management priorities from that year's allocation. Upon confirmation of further funding allocations and completion of any proposals, capital investment requirements will be submitted to Cabinet for approval, where required.

Capital Programme
Summary of Programme 2020/2021 to 2024/2025

Expenditure by Portfolio	Gross Cost £'000	Expend. to 31.3.20 £'000	Estimated Payments				
			2020/2021 £'000	2021/2022 £'000	2022/2023 £'000	2023/2024 £'000	2024/2025 £'000
Leader	1,000	0	0	1,000	0	0	0
Deputy Leader	573,402	283,534	70,766	101,112	91,447	24,699	1,844
Cabinet Secretary	46,520	7,566	6,069	19,341	6,642	6,602	300
Children's Learning and Skills	62,669	5,155	14,047	18,706	16,445	5,611	2,705
Dynamic City	350,016	59,323	30,742	101,906	102,437	37,892	17,716
Healthy City	23,508	11,321	4,651	2,636	4,300	300	300
Vibrant City	82,560	21,796	1,207	4,062	17,563	28,731	9,201
TOTAL CAPITAL EXPENDITURE	1,139,675	388,695	127,482	248,763	238,834	103,835	32,066

CAPITAL PROGRAMME

Source of Finance	Estimated Resources				
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
FROM EXTERNAL SOURCES					
Loans					
Prudential Borrowing	70,275	189,760	187,760	57,763	14,824
Salix	1,463	0	0	0	0
Government Grants					
DoH - Disabled Facilities	3,574	481	0	0	0
DfE - School's Condition Allocation Grant	1,350	685	800	250	0
DfE - Basic Need Grant	265	3,616	332	250	0
DfE - Schools DFC Grant	828	0	0	0	0
DfE - Special Educational Needs and Disability	313	0	0	0	0
DfT - Local Transport Plan (LTP)	7,079	5,165	0	0	0
DfT - Pothole Grant	2,612	0	0	0	0
DfT - Safer Roads Funding	50	733	0	0	0
DfT - Transforming Cities Fund	521	8,015	13,598	0	0
MHCLG - Getting Building Fund (GBF)	2,000	5,000	0	0	0
MHCLG - Local Growth Fund (LGF)	5,250	0	0	0	0
MHCLG - Future High Street Fund (FHSF)	0	606	5,774	7,787	0
Department of Energy Climate and Change	79	0	0	0	0
Environment Agency Coast Protection	387	0	650	2,280	0
Coastal Communities Fund	300	152	0	0	0
DCMS - 5G Create	0	251	0	0	0
Government Grants General	558	531	31	0	0
Grants from Other Public Bodies					
Homes England - Housing Infrastructure Fund	5,241	12,116	5,114	2,954	0
Homes England - Other	2,985	10,549	17,934	12,417	6,887
Lottery - Heritage Lottery Fund (HLF)	252	772	0	8,440	7,555
European Regional Development Fund	227	2,555	1,720	573	0
Highways England	343	0	0	0	0
Football Foundation	480	0	0	0	0
Nexus LTP	42	42	0	0	0
Education Funding Agency	4,596	33	0	0	0
Historic England	272	101	5	0	0
Salix Grant	0	50	150	150	150
Other External Funding					
Gentoo	100	0	0	0	0
Nexus	527	932	500	0	0
Other Capital Contributions	53	0	0	0	0
Total External Sources	112,022	242,145	234,368	92,864	29,416
FROM INTERNAL SOURCES					
Revenue Contributions					
Directorate	40	57	0	0	0
Reserves					
Strategic Investment Reserve	1,549	2,310	450	200	0
Strategic Investment Plan Reserve	940	254	0	0	0
S106 Reserve	2,674	926	1,261	1,601	0
Capital Priorities Reserve	3,867	239	209	3,807	0
Other Capital Reserves	2,999	349	150	150	150
Capital Receipts	3,391	2,483	2,396	5,213	2,500
Total Internal Sources	15,460	6,618	4,466	10,971	2,650
TOTAL FINANCING	127,482	248,763	238,834	103,835	32,066

LEADER

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Projects Commencing 2021/22										
	Regeneration									
CP0517	Elemore Green Space and Social Enterprise Development	Feasibility study and consultation to develop the former Elemore Golf Course at Hetton. Planned capital improvement works are to the former golf club, car park and adjacent green space. 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. External funding will be sought alongside support from the Coalfield Area Neighbourhood Investment capital programme.	S Mitchell	1,000	0	0	1,000	0	0	0
TOTAL PROJECTS COMMENCING 2021/22				1,000	0	0	1,000	0	0	0
TOTAL LEADER CAPITAL PROGRAMME				1,000	0	0	1,000	0	0	0

Source of Finance	Estimated Resources				
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
FROM EXTERNAL SOURCES					
Loans					
Prudential Borrowing	0	500	0	0	0
Government Grants	0	0	0	0	0
Government Grants General	0	500	0	0	0
Total External Sources	0	1,000	0	0	0
TOTAL FINANCING	0	1,000	0	0	0

**DEPUTY LEADER
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Continuing Projects										
	Strategic Economic Development									
CP0203	Energy Masterplan & Feasibility Assessment (DECC)	A feasibility study to provide a city-wide understanding of current and future heat demands across industrial, commercial and domestic uses in Sunderland, offering an important evidence base for the council and partners to develop appropriate solutions for improved energy management consumption, and the identify the necessary energy infrastructure requirements for key strategic sites.	M Jackson	290	115	175	0	0	0	0
CP0126	Vaux Site Cliff Works	Infrastructure works to the cliff edge following prior infrastructure works in advance of the continued development of the former Vaux site.	A Crabb	1,158	1,158	0	0	0	0	0
CP0136	A19 Ultra Low Carbon Enterprise Zone	Highway infrastructure works at the Enterprise Zone Site 3 to unlock 90,000sq.m of developable floor space, generate potentially 1,500 new jobs in the manufacturing industry along with private sector investment of £55m.	M Jackson	23,010	22,913	97	0	0	0	0
CP0139	Investment Corridors	Infrastructure improvements in and around High Street West, including new street lighting and street furniture, new high-quality paving materials and crossing upgrades to St Michael's Way. The Holmeside Masterplan will be completed, and detailed designs commenced for public realm improvements in this area.	C Auld	9,200	4,783	750	1,431	2,236	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	57,753	36,884	120	7,185	7,053	5,517	994

**DEPUTY LEADER
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
CP0266	Vaux Phase 1	Development of the first office building of 60,000 sq. ft. over 5 floors on the former Vaux site, and infrastructure works to roads and footpaths.	A Crabb	25,812	23,769	300	1,743	0	0	0
CP0137	Sunderland Railway Station Feasibility and Design	Feasibility and design works for the planned redevelopment of the railway station concourse in conjunction with Nexus and Network Rail.	M Jackson	2,068	1,541	527	0	0	0	0
CP0288	Minster Quarter Access Road	Provision of a new access road that will provide a direct link from the Minster Quarter area onto St Mary's Way.	M Jackson	1,396	1,208	188	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 including Leisure and Strategic Housing Developments. Proposals to proceed with any of the above projects following feasibility are subject to reports to Cabinet for consideration at the appropriate time.	A Crabb	8,120	0	3,650	3,720	750	0	0
CP0494	Farringdon Row Phase 1	Development of a facility to be located at Farringdon Row to be supported by a long-term lease arrangement subject to agreement with the prospective tenant.	A Crabb	36,270	0	1,288	4,982	30,000	0	0
CP0513	Hillthorn Business Park - Power Supply	Provision of power supply works at Hillthorn Business Park site to facilitate the subsequent development of this key strategic site as a primary employment area.	P Littlefair	3,192	0	2,000	1,192	0	0	0

**DEPUTY LEADER
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
	Port									
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 recent Government announcements confirming the 'Contract for Difference' award to both Equinor and Innogy as potential developers of the Dogger Bank offshore wind farm.	M Hunt	2,500	0	120	500	1,880	0	0
CP0492	Port Mobile Crane Refurbishment	Replacement of the crane's current slew bearing and undercarriage pipework which are nearing the end of their operational life. The effective operation and reliability of the Port's plant and machinery is of paramount importance in fulfilling the Port's cargo handling commercial offer.	M Hunt	158	0	158	0	0	0	0
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	1,657	3,249	3,295	0	0	0
CP0439	Port Dock Gates & Associated Infrastructure	Full refurbishment of Number 3 Dock Gates & Associated Infrastructure at the Port.	M Hunt	1,564	1,408	156	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	745	0	245	250	250	0	0

**DEPUTY LEADER
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
	Economic Development Grants									
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 Vaux and IAMP may require assistance packages over coming years.	C Auld	4,755	2,038	1,317	700	700	0	0
	Major Highway Schemes									
CP0003	Northern Spire (SSTC Ph2 - New Wear Crossing)	Construction of the 'Northern Spire' New Wear Crossing. The Northern Spire opened to the public August 2018, with the remaining budget required for finalisation of painting works and conclusion of land purchases.	M Jackson	106,200	102,454	3,746	0	0	0	0
CP0194	SSTC Phase 3 Road	Construction of a new road linking the Northern Spire new wear crossing and the city centre. The road is planned to be open to traffic Autumn 2021.	M Jackson	70,800	38,599	22,942	9,259	0	0	0
CP0281	SSTC Phases 4/5 Design	Design and bidding proposal costs for the SSTC Phases 4/5 and related projects.	M Jackson	250	168	82	0	0	0	0
	Local Transport Plan									
CP0024	Highways Maintenance	Implement the Highway Maintenance Programme of road resurfacing and footway reconstruction schemes.	M Jackson	12,883	8,877	4,006	0	0	0	0
CP0025	Bridge Maintenance	Annual programme of Structural Bridge maintenance.	M Jackson	2,028	1,105	554	369	0	0	0
CP0026	Integrated Transport	Annual programme for the implementation of Road Safety and Traffic Congestion improvement schemes.	M Jackson	6,414	4,298	1,649	467	0	0	0
CP0226	Northern Gateway	Improving access to the Wearmouth Bridge and the City Centre via a two-way traffic system.	M Jackson	6,000	5,965	35	0	0	0	0
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.	M Jackson	125	83	42	0	0	0	0

**DEPUTY LEADER
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
CP0249	Southern Growth Area - Highways Design	Detailed design of highway infrastructure necessary to complete the Ryhope Doxford Link Road and to open up development land in South Sunderland (Southern Growth Area).	M Jackson	260	249	11	0	0	0	0
CP0279	Highways Maintenance Asset Management	Improvement of the Council's major highway assets including roads, bridges, footways and traffic signal equipment.	M Jackson	4,437	4,012	425	0	0	0	0
CP0455	A182 Chartershaugh Bridge	Improvements to the A182 Chartershaugh Bridge through re-painting the deck steelwork of the river span, and repairs to the concrete piers and the bridge drainage.	M Jackson	505	74	150	281	0	0	0
CP0398	New City Boundary Signs	Provision of new city boundary signs.	M Jackson	150	45	10	95	0	0	0
CP0457	A1231 Bridge Maintenance (Phase 2)	A programme of Structural maintenance to bridges on the Nissan Interchange and Low Barmston Access Bridge. Phase 2 comprises works below the bridge decks, including concrete repairs and re-painting the steel beams of the road bridges and the adjacent Access Bridge.	M Jackson	714	46	500	168	0	0	0
CP0421	Highways 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.	M Jackson	11,000	2,705	1,295	4,250	2,750	0	0
CP0422	Bridge Maintenance Investment Programme	Improvements to the condition of the Council's stock of bridges and to reduce the significant maintenance backlog.	M Jackson	4,000	157	1,280	1,563	1,000	0	0
CP0456	City Wide Cycle Ways	Four cycleways schemes funded by Tranche 1 of the Transforming Cities Fund: - B1522 Ryhope to Sunderland City Centre Route. - B1285 Hetton – Easington Lane to National Route 1 and Sunderland City Centre Route. - Essen Way Cycle Route. - Ferryboat Lane, Castletown link to IAMP and Nissan.	M Jackson	1,828	967	861	0	0	0	0

**DEPUTY LEADER
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
CP0471	A1290 Road Safety Improvement Scheme Ph2	Safety improvements to junctions and existing cycling infrastructure on A1290 between A19 and A184.	M Jackson	783	0	50	733	0	0	0
	Flood & Coast Risk Management									
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.	M Jackson	5,708	3,295	913	500	500	500	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.	M Jackson	10,500	292	975	1,825	2,000	5,408	0
CP0390	Pier Major Repair Works	Works to the South and Old North Piers following the storm damage March 2018. The emergency works are complete. Following structural surveys there is to be further works to permanently remediate the piers.	M Jackson	853	803	15	35	0	0	0
CP0431	Panns East Quay Replacement	Reconstruction of a 60m stretch of the Panns East Quay.	M Jackson	1,000	25	150	825	0	0	0

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	Infrastructure and Transportation									
CP0009	Private Streetworks	Council contribution to the upgrade of private streets.	M Jackson	50	0	0	50	0	0	0
CP0310	LED Street Lighting Phase 2	Following on from the progress of phase 1 installation of LED lights, a further 24,513 lamps of varying energy consumption are to be converted to LED lamps. The majority of units, over 20,000, are units currently burning between 100W and 250W of energy and the proposed replacements would burn at between 50W and 100W without detriment to required lighting levels.	M Jackson	7,900	6,441	1,459	0	0	0	0
CP0361	SSGA - 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.	M Jackson	9,081	0	1,283	3,717	1,437	2,644	0
CP0362	A19/A690 Doxford Park Junction Improvement Scheme	Capacity improvement measures at the A19/A690 Doxford Park junction including upgrade of the A19 southbound off-slip road. The investment will provide infrastructure to support the delivery of the SSGA.	M Jackson	3,600	1,096	2,362	142	0	0	0
CP0425	Major Pipeline Scheme Design	Provision to ensure that resources are in place to develop designed solutions for the Council's infrastructure aspirations, which can be utilised as part of the bidding processes for external funds.	M Jackson	1,000	384	116	250	250	0	0
CP0426	Replacement of Road Safety Vehicle	Replace the existing road safety vehicle, which is now 5 years old, used to carry out enforcement of bus stops and school keep clears.	M Jackson	20	0	20	0	0	0	0
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).	M Jackson	750	0	0	750	0	0	0
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.	M Jackson	500	75	425	0	0	0	0
CP0476	Specialist Vehicle / Plant Replacement	Purchase 4 crane wagons and 1 Mini Excavator for the Highways Operations service to reduce	I Richardson	470	0	0	470	0	0	0

**DEPUTY LEADER
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		the reliance on, and cost of, using hired vehicles.								
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.	M Jackson	800	0	100	300	200	200	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.	M Jackson	750	0	0	750	0	0	0
CP0508	Emergency Active Travel Fund Tranche 1	Provision of temporary measures during summer 2020, funded by DfT, to encourage active travel and to enable social distancing during the restart after national lockdown.	M Jackson	142	0	142	0	0	0	0
CP0510	Taxi - Electric Vehicle Charging Points	Delivery of charging infrastructure for low emission vehicles at the car park behind the library at Station Road, Houghton-Le-Spring	M Jackson	54	0	54	0	0	0	0
CP0511	City Way Dualling	Highway Improvements to City Way to alleviate anticipated pressures and potential congestion problems at the A690/A19 Junction. Works involve widening of the carriageway to provide additional queuing capacity. The investment will provide infrastructure to support the delivery of the SSGA.	M Jackson	5,951	0	465	5,486	0	0	0
CP0512	Sunderland Riverside (Colima Ave) cycling access	Improvements to the cycle access from the A1231 and existing C2C route to the Sunderland Enterprise zone and removal of the landscaping / maintenance liability on the central reservation on Colima Avenue from the A1231 to the roundabout of Timber Beach Road / Colima Avenue.	M Jackson	80	0	80	0	0	0	0
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	M Jackson	5,571	0	204	2,240	3,127	0	0

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		infrastructure to support the delivery of the SSGA.								
	Infrastructure and Transportation - Parking									
CP0360	Roker Car Park Extension	Extension to the existing Roker car park will create an additional 25 spaces and disabled coach parking. Planned works will include improved signage, new bins and cycle parking.	M Jackson	150	3	147	0	0	0	0
CP0479	Vaux Multi-Storey Car Park	Establish a 500 space car park on the Vaux site to service the occupants and visitors to the development and the City Centre. The car park is proposed to include both pre-paid permits and pay & display parking and will provide the Council with a revenue stream.	M Jackson	14,000	0	250	8,750	5,000	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 will be removed as part of the sea front redevelopment project.	M Jackson	600	0	600	0	0	0	0
CP0482	City Way Car Park	Create a 500 space car park at Clinton Place (City Way) to provide additional parking facilities and support businesses on Doxford Park.	M Jackson	2,200	0	125	200	1,875	0	0
	Bereavement Services									
CP0161	Improvements to the Crematorium	Physical and structural improvements to the Crematorium.	S Mitchell	140	62	78	0	0	0	0
CP0186	Replacement of Cremators	Replacement of the crematorium equipment, comprising three cremators, additional specialist equipment and associated emissions control system to ensure the reliable and compliant operation of the Council's bereavement service.	S Mitchell	1,230	1,226	4	0	0	0	0
CP0285	Parks & Cemetery Infrastructure - Paths	Provision for a repair inspection and maintenance programme in cemeteries and parks.	S Mitchell	300	182	118	0	0	0	0
CP0473	Replacement Crematorium	Provision for a new purpose-built crematorium with extended car parking facilities, that will be more efficient to operate and maintain than the existing facility. A new facility will help improve the experience for users whilst also affording the opportunity to reduce future running and maintenance costs.	S Mitchell	7,500	0	1,500	1,945	3,555	500	0
	Environmental Services (Street Scene)									

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CP0352	Replacement Household Waste and Recycling Centre	Provision of a new household waste facility at Pallion Industrial Estate, alongside a further micro-site at Coalfields.	I Richardson	5,000	139	1,333	3,528	0	0	0
CP0353	Refuse Collection Vehicle Replacement Programme	Planned replacement of the fleet of 20 refuse collection vehicles at the forecast end of life. Consideration will be given at time of purchase to electric / hybrid options.	I Richardson	3,780	0	0	0	0	3,780	0
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.	I Richardson	1,957	444	344	813	286	70	0
CP0355	Redevelopment of Parsons Depot including Electrical Vehicle Infrastructure	Redevelopment of the operational depot at Parsons, Washington to also include provision for an alternative location for the salt barn. The works will 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.	I Richardson	10,943	602	990	9,351	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: o Replace existing specialist vehicle and plant fleet which will come to the end of their planned operational life. o Purchase new additional vehicles and	I Richardson	3,950	691	1,851	275	1,133	0	0

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		equipment to support planned changes in front line service delivery in line with Council priority to improve local environment quality. o Fit safety equipment to the fleet of large goods vehicles. o Replacement wheel bin and recycling containers. 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.								
CP0503	Assistive Technology in Neighbourhoods Services	Given the proven benefits of technological advancements and investments into Adult Social Care, investment has been expanded to support service delivery and staff productivity improvements across other Neighbourhood Directorate service areas. Plans include the digitisation of services in relation to Housing Allocations and School Admissions as well as extending existing Bartec technology for refuse collection.	V French	300	30	135	135	0	0	0
CP0463	Landscaping & Grounds Improvements	Landscaping, grounds and parks improvements to several Council sites including Hylton Castle, Barley Mow Park and Barnes Park.	I Richardson	448	21	427	0	0	0	0
CP0299	Play and Urban Games	Improvement works to play areas across the city.	I Richardson	718	445	273	0	0	0	0
CP0472	Light Commercial Vehicle Fleet	Provision to replace the fleet of 32 specialist light commercial vehicles, which are currently provided through a lease arrangement which is shortly due to come to an end. The replacement vehicles, funded by the lease cost savings, will facilitate the transition of a significant part of the specialised light commercial fleet from diesel to Ultra Low Carbon (ULC) electric powered vehicles.	I Richardson	700	0	350	350	0	0	0
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.	I Richardson	750	0	750	0	0	0	0

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CP0475	Herrington Country Park	Delivery of a reconfigured Café and Events space within the site office at Herrington Country Park. The project will help make more effective use of the existing building at the park and generate a commercial return.	I Richardson	650	0	650	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.	I Richardson	162	0	100	31	31	0	0
TOTAL CONTINUING PROJECTS				524,827	283,534	70,766	84,901	66,013	18,619	994
Projects Commencing 2021/22										
	Local Transport Plan									
CP0024	Highways Maintenance	Implement the Highway Maintenance Programme of road resurfacing and footway reconstruction schemes.	M Jackson	1,589	0	0	1,589	0	0	0
CP0025	Bridge Maintenance	Annual programme of Structural Bridge maintenance.	M Jackson	392	0	0	392	0	0	0
CP0026	Integrated Transport	Annual programme for the implementation of Road Safety and Traffic Congestion improvement schemes.	M Jackson	2,081	0	0	2,081	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.	M Jackson	200	0	0	50	50	50	50

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Strategic Economic Development										
CP0518	Sunderland Central Station Redevelopment & Car Park	Redevelopment of the Sunderland Central Station and a 500-space car park on the nearby Holmeside site. This will be via the demolition and reconstruction of the main southern concourse of the Station above platform level with the provision of 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.	M Jackson	27,989	0	0	6,540	19,949	1,500	0
CP0494	Farringdon Row Phase 1	Development of a facility to be located at Farringdon Row to be supported by a long-term lease arrangement subject to agreement with the prospective tenant.	A Crabb	3,730	0	0	0	0	3,730	0
Infrastructure and Transportation										
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.	M Jackson	1,135	0	0	500	635	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.	M Jackson	5,609	0	0	3,109	2,500	0	0

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	Carbon 2030									
CP0521	Energy and Carbon 2030 Development	This project seeks the procurement of an operator / generator / advisor with institutional experience in successful green energy and a portfolio of projects initially for a 5 year partnership to develop the response in the medium term to Carbon 2030 and to identify the long term strategy. The medium future is a transition shift away from gas towards a much greater electricity dominant infrastructure coupled with renewables. The shift to electric vehicles is visible worldwide. The Department for Business, Energy and Industrial Strategy have reviewed electricity cost predictions which shows that UK costs are set to increase over the next 5 years. The major high demand users of electricity face serious challenges, for example manufacturing faces a severe challenge against competitiveness with the rest of the world; similarly, the Riverside Sunderland development investment and the wider Council asset base face rising operational costs.	P Littlefair	3,200	0	0	800	800	800	800
Environmental Services (Street Scene)										
CP0524	Fleet - Bulky Waste Collection Service	To cope with anticipated sustained demand into next year and onwards, two additional specialist service vehicles to collect bulky household waste will be purchased. It is expected that this investment will also reduce the level of fly tipping or waste in rear lanes and make the service more accessible by reducing service lead in times.	I Richardson	150	0	0	150	0	0	0
CP0522	Open Spaces and Allotment Improvements	This project will support a Citywide Parks and Open Spaces Strategy to improve open spaces and allotments infrastructure. Parks and greenspaces will be enhanced at a number of locations citywide. In addition, demand for	I Richardson	2,500	0	0	1,000	1,500	0	0

**DEPUTY LEADER
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		allotments has also grown significantly, particularly during 'lockdown' in 2020 a further 1,500 requests have been received from residents wishing to take an allotment tenancy. In order to seek to satisfy demand, the project will seek to recover redundant plots within existing sites, with the aim of bringing allotment plots back into use by improving the allotment plots where a current tenancy has been cancelled or abandoned. Scoping work will also identify suitable areas of land where further additional allotment plots / community gardens can be provided.								
TOTAL PROJECTS COMMENCING 2021/22				48,575	0	0	16,211	25,434	6,080	850
TOTAL DEPUTY LEADER CAPITAL PROGRAMME				573,402	283,534	70,766	101,112	91,447	24,699	1,844

**DEPUTY LEADER
CAPITAL PROGRAMME**

Source of Finance	Estimated Resources				
	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
FROM EXTERNAL SOURCES					
Loans					
Prudential Borrowing	37,967	69,072	69,612	14,225	1,844
Salix	1,459	0	0	0	0
Government Grants					
DfT - Local Transport Plan (LTP)	7,079	5,165	0	0	0
DfT - Pothole Grant	2,612	0	0	0	0
DfT - Safer Roads Funding	50	733	0	0	0
DfT - Transforming Cities Fund	521	8,015	13,598	0	0
MHCLG - Getting Building Fund (GBF)	2,000	850	0	0	0
MHCLG - Local Growth Fund (LGF)	5,250	0	0	0	0
Department of Energy Climate and Change (DECC)	79	0	0	0	0
Environment Agency Coast Protection	387	0	650	2,280	0
Government Grants General	296	31	31	0	0
Grants from Other Public Bodies					
European Regional Development Fund	169	1,260	0	0	0
Highways England	343	0	0	0	0
Nexus LTP	42	42	0	0	0
Homes England - Housing Infrastructure Fund	3,491	11,585	4,564	2,644	0
Homes England - Other	0	0	1,345	0	0
Other External Funding					
Nexus	527	932	0	0	0
Other Capital Contributions	23	0	0	0	0
Total External Sources	62,295	97,685	89,800	19,149	1,844
FROM INTERNAL SOURCES					
Revenue Contributions					
Directorate	40	0	0	0	0
Reserves					
Strategic Investment Reserve	595	1,185	450	200	0
Strategic Investment Plan Reserve	139	0	0	0	0
S106 Reserve	388	0	197	0	0
Capital Priorities Reserve	3,867	159	209	3,807	0
Other Capital Reserves	1,741	50	0	0	0
Capital Receipts	1,701	2,033	791	1,543	0
Total Internal Sources	8,471	3,427	1,647	5,550	0
TOTAL FINANCING	70,766	101,112	91,447	24,699	1,844

**CABINET SECRETARY
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Continuing Projects										
	Management of Council Land and Buildings									
CP0272	Energy Efficiency - Northumbrian Water Smart Metering Programme	Development of a multi utility software package to analyse half hourly energy data, now being commercialised by Northumbrian Water. The second phase of the programme is to develop a cost-effective smart water metering system.	P Davies	130	43	87	0	0	0	0
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 are Jack Crawford, Evolve, Software Centre, Washington Business Centre and the Port's transit shed 7 which also feeds Capstan House.	P Davies	2,963	273	100	2,590	0	0	0
CP0317	Accommodation Review	Provision to support ongoing review of Council accommodation requirements.	A Crabb	251	148	103	0	0	0	0
CP0417	City Hall - Furniture and Equipment	Furniture and equipment provision for the City Hall.	A Crabb	3,953	0	0	3,953	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	13,233	1,945	2,473	3,815	2,500	2,500	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	50	350	0	0	0
CP0470	Security Control Room	The provision of a new CCTV and Security Control Room.	P Davies	400	0	130	270	0	0	0

**CABINET SECRETARY
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
	Digital and Customer Services									
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	3,289	1,034	0	0	0	0
CP0419	ICT Infrastructure	Five strands of investment into ICT services to provide efficiencies to support the Medium Term Financial Plan: o Replacement of End User Devices. o Replacement of Storage & Server Infrastructure. o Upgrade or Replacement of Virtualised Desktop Infrastructure. o Disaster Recovery/Secondary Data Centre Replacement. o Civica Revenues & Benefits System.	L St Louis	2,720	1,158	322	450	790	0	0
CP0460	Mobile Handsets	Replacement of handsets, tablets and laptops within the current estate to ensure operating systems remain fully secure and supported with active patch management with a 4-year life cycle as recommended by the National Cyber Security Centre.	L St Louis	750	0	750	0	0	0	0
CP0461	Backup Solution	Replacement of aging data backup infrastructure with a new solution to ensure the continuation of robust and resilient ICT Services with the ability to retrieve and restore data and systems in the event of an issue or incident. In addition, services are moving towards a hybrid Cloud / On-Premise model with projects such as Office 365 which will be fully supported via a replacement back-up solution.	L St Louis	500	374	126	0	0	0	0
CP0462	Smarter Cities Pilot	A pilot to develop a 5G City Centre ring, a proof of concept that will allow testing of some of the potential use cases in a live environment, as well as proving the ability and reliability of communications. The project will act as a launch pad for promoting the city's aspirations and support the initial stages of the digital ambition as set out in the City Plan for the provision of next generation city-wide fibre and mobile network infrastructure vital to connect people and organisations alongside the delivery of a number of city-wide projects.	L St Louis	250	230	20	0	0	0	0

**CABINET SECRETARY
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
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	60	36	24	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	750	0	0	0	0	750	0
CP0501	Smart Cities Project	Sunderland has set its vision that 'By 2030, Sunderland will be a connected, international city with opportunities for all'. To achieve this objective, next generation fibre and mobile infrastructure is vital to connect people and organisations, attract new businesses and private sector investment, increase local economic output and deliver 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 and is the estimated Council contribution requirement for the overall city-wide project.	L St Louis	13,237	70	850	6,813	2,752	2,752	0
TOTAL CONTINUING PROJECTS				43,920	7,566	6,069	18,241	6,042	6,002	0

**CABINET SECRETARY
CAPITAL PROGRAMME**

Projects Commencing 2021/22										
	Management of Council Land and Buildings									
CP0526	Salix Decarbonisation Fund	A recycling decarbonisation fund for energy conservation and renewable energy technology measures (e.g. solar panels) in the Council's operational buildings and schools. The recycling element of this fund allows the savings to repay the capital cost of works and for funds to be reinvested, thus providing a sustainable long-term fund for low carbon measures.	P Davies	1,000	0	0	100	300	300	300
	Digital and Customer Services									
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	0	0	400	300	300	0
CP0527	Re-procurement of AutoCAD licences	Provision for the replacement of computer aided design (CAD) software for use by the Council's architect, engineering and construction teams. This design software supports the operational and capital development delivery across the Council.	L St Louis	600	0	0	600	0	0	0
TOTAL PROJECTS COMMENCING 2021/22				2,600	0	0	1,100	600	600	300
TOTAL CABINET SECRETARY CAPITAL PROGRAMME				46,520	7,566	6,069	19,341	6,642	6,602	300

**CABINET SECRETARY
CAPITAL PROGRAMME**

Source of Finance	Estimated Resources				
	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
FROM EXTERNAL SOURCES					
Loans					
Prudential Borrowing	3,203	13,989	5,552	5,552	0
Government Grants					
MHCLG - Getting Building Fund (GBF)	0	2,986	0	0	0
DCMS - 5G Create	0	251	0	0	0
Grants from Other Public Bodies					
European Regional Development Fund	58	1,295	0	0	0
Salix Grant	0	50	150	150	150
Other External Funding					
Other Capital Contributions	30	0	0	0	0
Total External Sources	3,291	18,571	5,702	5,702	150
FROM INTERNAL SOURCES					
Reserves					
Strategic Investment Reserve	916	0	0	0	0
Strategic Investment Plan Reserve	801	254	0	0	0
Other Capital Reserves	739	66	150	150	150
Capital Receipts	322	450	790	750	0
Total Internal Sources	2,778	770	940	900	150
TOTAL FINANCING	6,069	19,341	6,642	6,602	300

**CHILDRENS LEARNING & SKILLS
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Continuing Projects DFC										
CP0085	Schools' Devolved Capital	Schools' devolved formula capital allocations to address the priorities identified by schools in their own asset management plans.	S Mitchell	2,177	1,349	828	0	0	0	0
Major School's Asset Management										
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.	S Mitchell	6,861	0	0	30	426	3,700	2,705
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.	S Mitchell	5,740	0	162	3,068	2,510	0	0
CP0488	Newbottle Primary Academy Extension & ASD Unit	Extension of the current mainstream facilities at Newbottle Primary Academy and also the creation of Special Education Needs resourced provision for primary aged children from across the Coalfields and other areas of the City with Autism. It will expand the current capacity of the school from 420 to 630 places with a further 24 autism places.	S Mitchell	4,564	0	613	450	1,900	1,601	0
CP0489	Barnes Junior School Dining Block Replacement and Additional Studio Space	Replacement of the current kitchen and dining facilities at Barnes Junior School 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.	S Mitchell	2,899	0	50	1,483	1,366	0	0

**CHILDRENS LEARNING & SKILLS
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
CP0485	Sunningdale Primary School - new build	Sunningdale Primary School provision to be relocated from Shaftoe Road, Springwell to a new building at Clinton Place, Doxford Park. The proposal seeks to increase the appropriateness of and the capacity of the provision, creating additional school places for the city's primary cohort with severe learning difficulties, profound and multiple learning difficulties and physical disabilities while also improving the resources for those children already accessing primary aged provision at Sunningdale School.	S Mitchell	13,562	67	700	8,163	4,632	0	0
CP0350	SSGA - School Extensions to St Pauls & Benedict Biscop	Sunderland South Growth Area (SSGA) plans will generate demand for school places growth with 2 school extensions (105 places each) required meeting demand in advance of a new school requirement in the longer term. The upfront investment will be recouped through S106 over the longer term. Extensions are planned to St Pauls CE VC Primary and Benedict Biscop Primary Academy.	S Mitchell	1,981	153	1,597	231	0	0	0
CP0454	Willow Wood Primary School - new build	Relocation of the existing Willow Fields Primary School to a new build at the former Maplewood Special School site at Redcar Road. This will increase pupil place capacity from 140 to 315 and supports the new housing developments in the area.	S Mitchell	5,035	405	3,398	1,171	61	0	0
CP0403	Harry Watts Academy	Development of a new Local Authority Commissioned Special Free School ('Harry Watts Academy') at the former Bishop Harland CE VA Primary School site, primarily funded by the Department for Education.	S Mitchell	6,373	1,394	4,596	383	0	0	0
Special Educational Needs - School Placements										
CP0370	PRU Provision - Refurbishment of Former Springwell Dene School	Re-Provision of Pupil Referral Unit (PRU) services to increase and improve the capacity and facilities across the city to support children with Special Educational Needs and Disabilities (SEND).	S Mitchell	1,425	1,259	166	0	0	0	0

**CHILDRENS LEARNING & SKILLS
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
	Other Schools Asset Management Projects									
CP0260	Schools' 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.	S Mitchell	692	0	692	0	0	0	0
CP0327	New Condition Works / EAW	Delivery of electricity at work (EAW) and schools condition surveys.	S Mitchell	41	0	41	0	0	0	0
CP0205	Access Equipment	Purchase of equipment to assist children with disabilities to access school places.	S Mitchell	27	0	27	0	0	0	0
CP0212	Schools' Asset Management Plan - Primary	Provision of window replacements, heating improvements, roofing works, electrical and technical and urgent health and safety works in primary schools.	S Mitchell	446	327	119	0	0	0	0
CP0204	Schools Asbestos & Legionella Management	Asbestos and legionella management for schools.	S Mitchell	125	0	125	0	0	0	0
CP0509	Farringdon Secondary Academy School	Works are to be undertaken to facilitate the projected increase in pupil numbers at Farringdon Academy. The school's proximity to the SSGA is anticipated to lead to a shortfall of capacity in the area.	S Mitchell	100	0	100	0	0	0	0
CP0515	Farringdon Academy Refurbishment	Refurbishment of former teaching areas at Farringdon Academy to increase secondary pupil place capacity to support the delivery of the SSGA.	S Mitchell	560	0	0	0	250	310	0
CP0516	New Silksworth Academy	Refurbishment at New Silksworth Academy to create 16 ASD places to support the delivery of the SSGA.	S Mitchell	300	0	0	0	300	0	0
CP0545	Harry Watts Academy - Harraton	Conversion of the former skills academy building at Harraton into a satellite site for the Harry Watts Academy to provide a further minimum 64 new ASD places.	S Mitchell	700	0	0	700	0	0	0
CP0451	Castle View Academy Internal Refurbishment	Castle View Enterprise Academy - internal refurbishment to increase number on roll from 900 pupils to 1050 pupils.	S Mitchell	240	57	183	0	0	0	0

**CHILDRENS LEARNING & SKILLS
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
CP0452	Oxclose Community Internal Refurbishment	Oxclose Community Academy - Internal/external refurbishment at Oxclose Academy to facilitate an increase to the number on roll from 1050 pupils to 1200 pupils. This includes the provision of a specialist teaching area and improvement of external sports facilities. Works are to be funded through use of S106 education contributions received by the Council.	S Mitchell	294	144	150	0	0	0	0
CP0506	Development of ASD Unit at JFK primary school	Scope of works to enable provision of new outdoor space for pupils with ASD including the supply new furniture and sensory equipment.	S Mitchell	200	0	200	0	0	0	0
	Social Care									
CP0490	Children's Residential Homes	Feasibility study leading to a design and build/refurbish project for the creation of new children's residential facilities. This could create local provision for future placement decisions and/or the re-patriation 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.	S Mitchell	1,300	0	300	1,000	0	0	0
TOTAL CONTINUING PROJECTS				55,642	5,155	14,047	16,679	11,445	5,611	2,705

**CHILDRENS LEARNING & SKILLS
CAPITAL PROGRAMME**

Projects Commencing 2021/22										
	Major School's Asset Management									
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 as well as internal alterations and refurbishments.	S Mitchell	2,500	0	0	0	2,500	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.	S Mitchell	2,500	0	0	0	2,500	0	0
CP0260	Schools' 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.	S Mitchell	1,877	0	0	1,877	0	0	0
	School Meals									
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 in-house catering team.	V French	150	0	0	150	0	0	0
TOTAL PROJECTS COMMENCING 2021/22				7,027	0	0	2,027	5,000	0	0
TOTAL CHILDRENS LEARNING AND SKILLS CAPITAL PROGRAMME				62,669	5,155	14,047	18,706	16,445	5,611	2,705

**CHILDRENS LEARNING & SKILLS
CAPITAL PROGRAMME**

Source of Finance	Estimated Resources				
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
FROM EXTERNAL SOURCES					
Government Grants					
Salix Grant	4	0	0	0	0
DfE - School's Condition Allocation Grant	1,350	685	800	250	0
DfE - Basic Need Grant	265	3,616	332	250	0
DfE - Schools DFC Grant	828	0	0	0	0
Special Educational Needs and Disability	313	0	0	0	0
Grants from Other Public Bodies					
Homes England - Housing Infrastructure Fund	1,750	531	550	310	0
Education Funding Agency	4,596	33	0	0	0
Total External Sources	9,106	4,865	1,682	810	0
FROM INTERNAL SOURCES					
Revenue Contributions					
Prudential Borrowing	3,199	12,915	13,208	3,200	2,705
Reserves					
Other Capital Reserves	1,584	926	1,064	1,601	0
Capital Receipts	158	0	491	0	0
Total Internal Sources	4,941	13,841	14,763	4,801	2,705
TOTAL FINANCING	14,047	18,706	16,445	5,611	2,705

**DYNAMIC CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Continuing Projects										
Management of Council Land and Buildings										
CP0366	Former Usworth Comprehensive School Site Enabling Works	Enabling works on the former Usworth school site in advance of the potential development of the site.	N Guthrie	510	388	122	0	0	0	0
Strategic Economic Development										
CP0221	Railway Station Public Realm	As part of the wider Railway Station redevelopment public realm improvements will be undertaken to the area immediately in front of the station to provide an improved arrival and departure experience as well as ensuring the station is better integrated into the wider area.	M Jackson	750	0	0	0	750	0	0
CP0264	Public Realm - Former Crowtree Road Leisure Centre	As part of the redevelopment of the former Crowtree Road Leisure Centre site works will be undertaken to create a public space to the north of the site that will provide an improved link to Town Park.	A Crabb	1,750	212	100	1,438	0	0	0
CP0336	Commercial Road Development	Initial enabling works (access highway works and drainage) to facilitate development plots on the vacant site at Commercial Road.	P Scrafton	703	396	307	0	0	0	0
CP0409	International Innovation Centre	Provision of an international innovation centre to support existing and future automotive and advanced manufacturing companies with a facility for innovation and research and development.	A Crabb	18,000	15,909	0	500	1,591	0	0
CP0495	Strategic Acquisitions and Developments	Provision for real estate investments to support strategic economic regeneration and the City Plan, overseen by an Investment Board. Proposals will be brought forward in accordance with the Council's policy for the acquisition of land and buildings.	P Scrafton	78,036	26,044	19,326	24,153	6,413	2,100	0
Housing Services										
CP0072	Hetton Downs Regeneration	Acquisition and demolition of properties for housing renewal in the Hetton Downs area.	G Scanlon	9,111	8,944	167	0	0	0	0
CP0302	Hetton Downs Development Phase 2	To provide affordable housing units in the Hetton Downs Renewal area.	G Scanlon	289	4	120	165	0	0	0

**DYNAMIC CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
CP0344	Bringing Empty Properties Back Into Use - Loan Funding	Loan to Back on the Map to acquire and refurbish empty homes.	G Scanlon	390	255	135	0	0	0	0
CP0407	Empty Properties Programme	To extend the Hetton Downs empty homes pilot Citywide, targeting problematic empty properties to be refurbished, rented and therefore brought back into use. The investment will create assets that could be realised through disposal in the longer term whilst generating rental annual income until such disposal.	G Scanlon	1,900	156	200	1,544	0	0	0
CP0467	Cork Street Day Centre	Replacement provision via a new purpose-built facility for people with physical disabilities who are eligible for support under the Care Act 2014, a statutory requirement for the Council. The development of the day centre will receive support from Northeast Disabilities Resource Centre (NDRC) who will run the service at the day centre and is part of a wider project that will deliver purpose-built bungalows for people with physical disabilities.	G Scanlon	1,400	38	1,362	0	0	0	0
CP0499	Housing Delivery Investment Plan	Delivery of a 5-year 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	93	4,500	15,804	12,171	13,216	13,216
CP0392	Affordable Housing Provision	Use of S106 affordable housing contributions for the provision and promotion of affordable housing across the City; specifically, through returning empty properties back to use.	G Scanlon	672	38	634	0	0	0	0

**DYNAMIC CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
	Seafront Regeneration									
CP0111	Roker Pier and Lighthouse	Lighthouse restoration works and provision of new tunnel entrance. All works now complete and to be opened up as a visitor attraction, to be managed by volunteers from the Roker Heritage Group.	C Auld	2,212	2,160	52	0	0	0	0
CP0223	Seafront Lighthouses	Seafront Lighthouses Improvements. Works to the lighthouse at Seaburn were completed in 2016. New railings and the restoration of railings on Roker Pier were completed in 2017. Further repairs were required following the storm damage in 2018.	C Auld	1,175	1,107	68	0	0	0	0
CP0274	Seafront Toilet Refurbishment	As part of the rolling programme of seafront toilet refurbishment, further works will be undertaken to refurbish the tram shelter toilets and Marine Walk north toilet block.	C Auld	300	288	12	0	0	0	0
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.	C Auld	892	37	300	555	0	0	0
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.	C Auld	55	5	0	50	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.	C Auld	2,325	11	200	1,114	1,000	0	0

**DYNAMIC CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
	Regeneration Projects									
CP0273	City Centre Way Finding	New way finding infrastructure will be installed to improve pedestrian navigation around the city centre which will be adopted by the Council and its partners. This will improve the appearance and visitor experience.	M Jackson	200	193	7	0	0	0	0
CP0275	Investment Corridors - MAC Trust Contribution	Council contribution to works which commenced in 2016 on the development of the former Dun Cow fire station to create a performing arts centre. Grant funding is also being provided to the MAC Trust from the Heritage Lottery Fund and the Arts Council.	C Auld	690	320	370	0	0	0	0
CP0326	Chester Road - Highways	Loan agreement with Gentoo to deliver 500 new homes on the former Pennywell estate. The Council will fund initial infrastructure works necessary to create a new access to the site and receive a profit share plus the return of its investment from the first phase of the scheme.	M Jackson	2,000	1,527	473	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 key landmark listed buildings in the City including Hutchinson's Buildings / Mackie's Corner and 170-175 High Street West together with wider conservation area enhancement through traditional shop front reinstatements. Part funded by Historic England funding, and also supplemented by third party contributions to the grants provided by the Council.	C Auld	890	116	623	139	12	0	0
CP0414	Regeneration Feasibilities	Provision of a Regeneration Feasibilities fund to support early planning and options appraisal for future potential capital projects.	C Auld	80	49	31	0	0	0	0
CP0415	Hendon Health Centre Demolition	Demolition of building no longer required and to mitigate holding costs.	P Davies	125	0	125	0	0	0	0

**DYNAMIC CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
CP0397	Bishopwearmouth Townscape Heritage 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	2,211	1,033	200	978	0	0	0
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 the next 10-15 years, 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 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.	A Crabb	16,542	0	908	8,584	5,900	1,150	0

**DYNAMIC CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
CP0497	Crowtree Square Retail Unit	Development of a retail unit(s) and associated car parking, access, public open space, service yard and stopping up of associated public highway on the site of the former Crowtree Leisure centre. The redevelopment scheme will support the regeneration of the City and improve the overall city centre offer and by bringing into use a brownfield city centre site as well as providing a rental stream to the Council.	A Crabb	7,474	0	400	2,000	5,074	0	0
TOTAL CONTINUING PROJECTS				209,682	59,323	30,742	57,024	32,911	16,466	13,216
Projects Commencing 2021/22										
	Regeneration Projects									
CP0537	Commercial Road Development	The development of a site at Commercial Road, providing: <ul style="list-style-type: none"> • A mixture of industrial and trade counter units; • Promotion of the regeneration of the Commercial Road corridor and will in turn encourage additional economic activity at the Port and the Council area; • A site that will form part of a wider strategic development area which also includes Council assets; and • Access to the railway line to be included to ensure connectivity to the Port and wider rail network. This will support the creation of local jobs within the local and wider area and the physical and economic regeneration of the Commercial Road corridor providing a modern gateway to the City.	P Scrafton	4,000	0	0	2,000	2,000	0	0
CP0538	City Centre Highways Improvements	Highways improvement works at Burdon Road and Cowan Terrace to provide improved access into the new planned residential development on the current civic centre site.	M Jackson	3,000	0	0	0	500	2,500	0

**DYNAMIC CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'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, Farringdon Row, Galley's Gill, Riverside Park and High Street West to the south. The Riverside Sunderland Masterplan was launched November 2019. Over the next 10-15 years, 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 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.	A Crabb	32,000	0	0	16,000	12,000	4,000	0

**DYNAMIC CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
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 expected to be supported by central government grants.	N Guthrie	10,950	0	0	5,000	5,950	0	0
	Housing Services									
CP0532	Northern Spire Park	Infrastructure, remediation works and the strategic acquisition of adjacent land and buildings to enable a high quality and affordable new housing development on the former Groves Cranes site. This will help to regenerate a neglected former industrial site to create an attractive new riverside residential community flanking the Northern Spire Bridge and the strategic transport corridor. The project is expected to be supported by grants from Homes England. The commercial business case demonstrates the recovery of the capital investment over a 15-year period from sale of land to developers.	N Guthrie	23,003	0	0	2,500	8,703	7,800	4,000
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. The project is expected to be supported by grants from Homes England, and the commercial case business demonstrates the recovery of the capital investment over a 25-year period from rental income and property sales.	N Guthrie	40,153	0	0	11,743	25,284	3,126	0

**DYNAMIC CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
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	3,999	0	0	1,624	875	1,000	500
CP0534	Willowfield Supported Village	Provision of self-contained supported living apartments for those adults requiring Extra Care and those living with the onset of Dementia. The scheme will also incorporate a separate Intermediate Care unit consisting of apartments with en-suite bedrooms and rehabilitation support, which will be used by the Council and health partners. The project is expected to be supported by grants from Homes England, and the net investment is expected to be recouped by rental income.	G Scanlon	16,000	0	0	1,157	11,843	3,000	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 Ministry for Housing, Communities and Local Government, and the net investment is expected to be recouped by rental income.	G Scanlon	7,229	0	0	4,858	2,371	0	0
TOTAL PROJECTS COMMENCING 2021/22				140,334	0	0	44,882	69,526	21,426	4,500
TOTAL DYNAMIC CITY CAPITAL PROGRAMME				350,016	59,323	30,742	101,906	102,437	37,892	17,716

Source of Finance	Estimated Resources				
	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
FROM EXTERNAL SOURCES					
Loans					

**DYNAMIC CITY
CAPITAL PROGRAMME**

Prudential Borrowing	24,544	87,828	83,299	21,982	8,329
Government Grants					
MHCLG - Getting Building Fund (GBF)	0	1,164	0	0	0
Coastal Communities Fund	300	152	0	0	0
Government Grants General	262	0	0	0	0
Grants from Other Public Bodies					
Lottery - Heritage Lottery Fund (HLF)	252	772	0	0	0
European Regional Development Fund	0	0	1,720	573	0
Historic England	272	101	5	0	0
Homes England - Other	2,985	10,549	16,589	12,417	6,887
Other External Funding					
Nexus	0	0	500	0	0
Total External Sources	28,615	100,566	102,113	34,972	15,216
FROM INTERNAL SOURCES					
Revenue Contributions					
Directorate	0	57	0	0	0
Reserves					
Strategic Investment Reserve	38	1,050	0	0	0
S106 Reserve	702	0	0	0	0
Other Capital Reserves	177	233	0	0	0
Capital Receipts	1,210	0	324	2,920	2,500
Total Internal Sources	2,127	1,340	324	2,920	2,500
TOTAL FINANCING	30,742	101,906	102,437	37,892	17,716

**HEALTHY CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Continuing Projects										
	Adult Services									
CP0432	Day Centre Transformation & Improvement	A newly built facility that will provide a resource centre offering care, social stimulation and day opportunities that is outcome focused but is able to meet the person's holistic health and social care needs. The service will be designed specifically to meet the needs of people with complex disabilities and behaviours, most of which are currently accessing current provision based in Washington and Fulwell.	G King	6,000	0	500	1,500	4,000	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	0	108	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	15,101	10,946	3,674	481	0	0	0
CP0351	Assistive Technology in Adult Social Care	Assistive Technology (AT) support to vulnerable people to enable them to remain in their own homes avoiding, or delaying, the need to go into residential care. Research has shown use of AT can delay residential care by an average 8 months. Investment includes: • Provision of demonstration showrooms and training facilities at the Independent Living Centre • Increased use of technology to transform service delivery and increase staff productivity • Provision of show rooms to promote technological solutions to improve resident's independence.	V French	765	350	260	155	0	0	0
CP0433	Emergency Accommodation	Provision of self-contained apartments to include small kitchen areas, and emergency / temporary residential accommodation for young people aged 18-21 who have come through the leaving care system or are homeless.	G Scanlon	104	0	104	0	0	0	0

**HEALTHY CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
CP0434	Barnes Park Café (Coffee Shop) - Flood Defence Measures	Improvements to the Café, specifically on flood defence measures.	G King	30	25	5	0	0	0	0
TOTAL CONTINUING PROJECTS				22,108	11,321	4,651	2,136	4,000	0	0
Projects Commencing 2021/22										
	Adult Services									
CP0539	ICT / Assistive Technology	Provision for the promotion of independence and wellbeing through the use of digital services and technology. The investment will help to close gaps in health inequalities and better supporting the future financial sustainability of local health and care systems.	G King	1,400	0	0	500	300	300	300
TOTAL PROJECTS COMMENCING 2021/22				1,400	0	0	500	300	300	300
TOTAL HEALTH CITY CAPITAL PROGRAMME				23,508	11,321	4,651	2,636	4,300	300	300

**HEALTHY CITY
CAPITAL PROGRAMME**

Source of Finance	Estimated Resources				
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
FROM EXTERNAL SOURCES					
Loans					
Prudential Borrowing	717	2,000	4,300	300	300
Government Grants					
DoH - Disabled Facilities	3,574	481	0	0	0
Other External Funding					
Gentoo	100	0	0	0	0
Total External Sources	4,391	2,481	4,300	300	300
FROM INTERNAL SOURCES					
Reserves					
Strategic Investment Reserve	0	75	0	0	0
Capital Priorities Reserve	0	80	0	0	0
Other Capital Reserves	260	0	0	0	0
Total Internal Sources	260	155	0	0	0
TOTAL FINANCING	4,651	2,636	4,300	300	300

**VIBRANT CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Continuing Projects										
	Community Services									
CP0412	Neighbourhood Renewal	Provision for devolved priority investments into Neighbourhood Renewals.	S Mitchell	2,500	30	314	2,156	0	0	0
	Culture, Events and Sport									
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	20,841	17,684	586	0	2,571	0	0
CP0219	Canny Space Project	Council contribution to the Churches Conservation Trust for improvement/alterations at Holy Trinity Church which will transform into a new community/commercial venue and heritage attraction.	V French	300	200	100	0	0	0	0
CP0176	Hylton Castle Redevelopment Phase 2	Re-development of Hylton Castle so that it can be repurposed as a community led heritage centre.	V French	3,889	3,882	7	0	0	0	0
CP0405	Sunderland Museum, Winter Gardens and 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 circa £16m external funding.	V French	21,755	0	200	400	2,100	10,054	9,001
TOTAL CONTINUING PROJECTS				49,285	21,796	1,207	2,556	4,671	10,054	9,001
Projects Commencing 2021/22										
	Culture, Events and Sport									
CP0452	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.	V French	650	0	0	300	150	150	50

**VIBRANT CITY
CAPITAL PROGRAMME**

Project Ref.No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
CP0543	Redesign and Replacement of City Centre Christmas Lighting	Provision for a City Centre Christmas lighting refresh to complement the work undertaken on the route of lights in the Fawcett Street and St Mary's Boulevard areas.	V French	150	0	0	150	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.	V French	600	0	0	150	150	150	150
Economic Regeneration										
CP0541	Washington F Pit Heritage Visitor Centre and Albany Park Improvements	Construction of a new heritage visitor centre incorporating exhibition, teaching and community spaces and a café for the museum and park users. Along with repair and improvement works to the existing Museum engine house, there will be improvement works to Albany Park including; new play areas, car park, trim trails, wetland area, wildflower meadows, interpretation and dedicated events space.	C Auld	4,650	0	0	300	1,350	3,000	0
Regeneration										
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	27,225	0	0	606	11,242	15,377	0
TOTAL PROJECTS COMMENCING 2021/22				33,275	0	0	1,506	12,892	18,677	200
TOTAL VIBRANT CITY CAPITAL PROGRAMME				82,560	21,796	1,207	4,062	17,563	28,731	9,201

**VIBRANT CITY
CAPITAL PROGRAMME**

Source of Finance	Estimated Resources				
	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
FROM EXTERNAL SOURCES					
Loans					
Prudential Borrowing	645	3,456	11,789	12,504	1,646
Government Grants					
MHCLG - Future High Street Fund (FHSF)	0	606	5,774	7,787	0
Grants from Other Public Bodies					
Lottery - Heritage Lottery Fund (HLF)	0	0	0	8,440	7,555
Football Foundation	480	0	0	0	0
Total External Sources	1,125	4,062	17,563	28,731	9,201
FROM INTERNAL SOURCES					
Reserves					
Other Capital Reserves	82	0	0	0	0
Total Internal Sources	82	0	0	0	0
TOTAL FINANCING	1,207	4,062	17,563	28,731	9,201

**PROJECT SPONSORS KEY
CAPITAL PROGRAMME**

Project Sponsor	Job Title
A Crabb	Project Director
C Auld	Assistant Director of Economic Regeneration
I Richardson	Interim Assistant Director of Environmental Services
G King	Assistant Director Adult Services / Chief Operating Officer Sunderland Care & Support
G Scanlon	Assistant Director of Housing Services
L St Louis	Assistant Director of Digital and Customer Services
M Hunt	Port Director
M Jackson	Assistant Director of Infrastructure, Planning and Transportation
P Davies	Assistant Director of Business and Property Services
P McIntyre	Executive Director City Development
P Scrafton	Assistant Director of Development (Land and Investment)
S Mitchell	Assistant Director of Community Resilience
V French	Assistant Director of Culture and Events
N Guthrie	Assistant Director of Development Residential
P Littlefair	Assistant Director of Major Projects Development

Prudential and Treasury Indicators 2021/2022 to 2024/2025

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 2019/2020 was £120.813 million and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000
Estimated Capital Expenditure	127,482	248,763	238,834	103,835	32,066

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

The Government has introduced flexibility around the use of capital receipts to support transformation costs arising from implementing the Council's savings programme for 2016/2017 to 2021/2022. Any proposals to use finance from capital receipts and to treat costs as capital expenditure under sections 16(2)b and 20 of the Local Government Act 2003 will be reported to Council.

The treasury management function ensures that the Council's cash is organised 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 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 2019/2020 are:

Estimates of financing costs to net revenue stream					
2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Actual	Estimate	Estimate	Estimate	Estimate	Estimate
8.74%	9.38%	10.76%	13.08%	14.12%	14.78%

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 2020 are:

Capital Financing Requirement

31/03/20	31/03/21	31/03/22	31/03/23	31/03/24	31/03/25
£'000	£'000	£'000	£'000	£'000	£'000
Actual	Estimate	Estimate	Estimate	Estimate	Estimate
470,255	530,499	767,215	938,239	976,950	970,273

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 reports.

The Capital Financing Requirement includes other long-term liabilities e.g. Private Finance Initiative (PFI) schemes and leases (including the lease agreement with Legal and General in respect of the new City Hall). 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 £73.941 million of such schemes included in its Capital Financing Requirement at 31st March 2020.

- 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 2019/2020, 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 2021/2022.

- 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 finance leases. The Council is asked to approve these limits and to delegate authority to the Executive Director of Corporate Services, 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 authority. Any such changes made will be reported to Cabinet and the Council at the next available meeting.

	Authorised Limit for External Debt				
	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	£'000	£'000	£'000	£'000	£'000
Borrowing	767,185	911,927	921,272	936,405	946,183
Other long-term liabilities	75,058	125,181	125,181	119,816	114,280
Total	842,243	1,037,108	1,046,453	1,056,221	1,060,463

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 2021/2022, the Council is asked to note that the authorised limit determined for 2021/2022 (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 Executive Director of Corporate Services, 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.

Operational Boundary for External Debt

	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
	£'000	£'000	£'000	£'000	£'000
Borrowing	742,185	886,927	896,272	911,405	926,443
Other long-term liabilities	75,058	125,181	125,181	119,816	109,020
Total	817,243	1,012,108	1,021,453	1,031,221	1,035,463

- P7 The Council's actual external debt at 31st March 2020 was £497.409 million and was made up of borrowing of £423.467 million and other long-term liabilities of £73.942 million.

The Council includes an element for long-term liabilities relating to PFI schemes and 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 on 3rd March 2010 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 Authority can take timely remedial action.

CIPFA Treasury Management in the Public Services Code of Practice - Indicators 2021/2022 to 2024/2025

- 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 (2021/2022, 2022/2023, 2023/2024 and 2024/2025) 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 £24.025m of long-term investments. This is £11.058m for the value of share capital held in NIAL Holdings PLC (a 9.62% 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 £0.117m in shares and unit trusts.

Minimum Revenue Provision Policy Statement 2021/2022

- 1.1 The Council is required to repay an element of its 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 31st March 2008 onwards the statutory requirement is simply for local authorities to make a prudent level of provision and the Ministry of Housing for Communities and Local Government (MHCLG) 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 2021/2022.

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 1st April 2008.

It was established that around £43.512m less MRP would have been charged between 1st April 2008 and 31st 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 2021/2022.

- 1.2 The statutory guidance issued by the MHCLG 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 MHCLG 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 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 MHCLG 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 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 a Council may have.

Given this lack of visibility on the level of grant support provided for debt and the known reductions to RSG in recent years it is estimated that only around 50% of the required 4% is now provided for i.e. 2%. 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 (3.06%). 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 MHCLG 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 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 2021/2022:
 - 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 Executive Director of Corporate Services 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

- c. is complete and the asset has come into service;
- d. For MRP payments in relation to 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 1st April 2008 to 31st 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 Executive Director of Corporate Services 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 the 3rd March 2010 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 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”.
- 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.

The Council has an agreed Borrowing and Investment Strategy, the high-level policies of which are as follows:

The basis of the agreed Borrowing Strategy 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;
- use a benchmark financing rate of 2.60% for any new long term borrowing (i.e. all borrowing for a period of one year or more); and
- take advantage of debt rescheduling opportunities, as appropriate.

The general policy objective for the Council in considering potential investments is the prudent investment of its treasury balances.

- the Council’s investment priorities in order of importance are:
 - 1) The security of its capital
 - 2) The liquidity of its investments and then
 - 3) The Council aims to achieve the optimum yield on its investments, but this is commensurate with the proper levels of security and liquidity
- the Council has a detailed Lending List and criteria must be observed when placing funds – these are determined using expert treasury management advice, view of money market conditions and using detailed rating agency information as well as using our own market intelligence.
- Limits are also placed on the amounts that can be invested with individual and grouped financial institutions based on the Lending List and detailed criteria which is regularly reviewed.

The Council re-affirms its commitment to the Treasury Management Policy and Strategy Statement in 2021/2022 as it does every year.

Treasury Management Strategy Statement for 2021/2022

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.

The suggested strategy for 2021/2022 is set out below and is based upon the Executive Director of Corporate Services' 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 2017 CIPFA issued a revised Treasury Management Code of Practice and Cross-Sectoral Guidance Notes, and a revised Prudential Code. In February 2018 MHCLG 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 not treasury type investments e.g. by investing in purchasing property in order to generate income for the authority at a higher level than can be attained by treasury investments. This report deals solely with financial investments managed by the Council's Treasury Management function. Non-financial investments are covered in the Capital Strategy which was approved by Council in December 2020. 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.

- 1.2 The treasury management strategy covers the:

- current treasury management position;
- treasury indicators and limits;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling
- policy on debt rescheduling;
- investment policy and strategy;
- creditworthiness policy; and
- policy on use of external service providers.

2. Treasury Management Strategy

2.1 Borrowing

2.1.1 Current Treasury Management Position

The Council's treasury portfolio position at 31st December 2020 comprised:

		Principal (£m)	Total (£m)	Average Rate (%)
Treasury external borrowing				
Fixed Rate Funding	PWLB	343.6		
	Market	39.6		
	Other	8.0	391.2	3.06
Variable Rate Funding	Temporary / Other		27.6	0.72
Total external borrowing			418.8	2.91
Total treasury investments				
	In house – short term		216.9	0.46
Net treasury borrowing			201.9	

The Council currently has a net deficit of £201.9m 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 (and Council rent levels where relevant) is 'acceptable'.

Whilst termed an "Affordable Borrowing Limit", the capital plans to be considered for inclusion incorporate 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 Executive Director of Corporate Services, 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 Executive Director of Corporate Services, 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 20th November 2002 and the revised Code in 2011 was adopted by the full Council on 3rd March 2012. The Council re-affirms 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

The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England (BoE) took emergency action in March to cut the bank interest rate to first 0.25%, and then to 0.10%, it left the rate unchanged at its subsequent meetings to 16th December. Some forecasters have suggested that the bank rate might be cut further and a negative rate applied, however Andrew Bailey, Governor of the BoE has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool to pursue if further action becomes necessary. The BoE's forward guidance makes it clear that the Bank 'does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% inflation target sustainably'.

Link Asset Services, the Council's treasury advisors, think the next increase of in Bank Rate will not be until quarter 1 in 2024 and that there could well be no increase during the next five years due to the slow rate of recovery of the economy and the need for the Government to see the burden of the elevated debt to GDP ratio falling significantly. They think that inflation is unlikely to pose a threat requiring increases in Bank Rate during this period as there is likely to be spare capacity in the economy for a considerable time. They expect inflation to briefly peak at around 2% towards the end of 2021, but that this will be a temporary increase will not be a significant concern to the BoE.

Gilt yields had been on a generally falling trend up until the coronavirus crisis hit western economies during March 2020. Gilt yields increased during the financial crisis in March but have since fallen sharply to unprecedented lows as investors sold shares in anticipation of impending recessions in western economies, moving cash into assets seen as having less risk attached to them such as government bonds. Central banks took rapid action to deal with excessive stress in financial markets during March starting large quantitative easing purchases of government bonds which also acted to put downward pressure on government bond yields.

Public borrowing is now forecast by the Office for Budget Responsibility (OBR) to reach £394bn in the current financial year, the highest ever peace time deficit and equivalent to 19% of GDP. In normal times, such an increase in total gilt issuance would lead to a rise in gilt yields, and therefore PWLB rates. However, as in other major economies, the quantitative easing implemented by the Bank of England has depressed gilt yields to historic low levels. This means that new UK debt being issued is locking in those historic low levels through until maturity. In addition, the UK has one of the longest average maturities for its entire debt portfolio, of any country in the world. Overall, this means that the total interest bill paid by the Government is seen to be more manageable despite the huge increase in the total amount of debt. The OBR is also forecasting that the Government will still be running a budget deficit of £102bn (3.9% of GDP) by 2025/26.

Gilt yields and PWLB rates have been at remarkably low rates so far during 2020/2021 with many bond yields up to 10 years in the Eurozone turning negative. There is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. Link Asset Services predict a very gradual rise in PWLB rates reaching 0.80%, 1.10%, 1.50% and 1.30% for 5, 10, 25, and 50 year durations respectively by 31st March 2021 with further increases of 0.20% to 0.30% each year for the following three years.

With so many external influences weighing on the UK and world economies, interest rate forecasting remains very difficult. From time to time, gilt yields, and consequently PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, (as shown on 9th November when the first results of a successful COVID-19 vaccine trial were announced led to a large increase in rates). Such volatility could occur at any time during the forecast period. In addition, PWLB rates are subject to ad hoc decisions by the UK Government to change the margin over gilt yields charged in PWLB rates. Such changes could be up or down.

The above forecasts, and MPC decisions, will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. The Brexit agreement reached on 24th December, and subsequently approved by Parliament on 31st December 2020, has removed some uncertainty and significant downside risks to the UK economy. However, high levels of volatility in PWLB rates and bond yields are expected to continue during 2021 and 2022.

The government introduced a 0.20% discount on PWLB loans under the prudential borrowing regime in March 2012 for those authorities that provided 'improved information and transparency on their locally determined long-term borrowing and associated capital spending plans'. The Council applied to access PWLB loans at a discount of 0.20% and has been successful in extending its access to the PWLB certainty rate until 31st October 2022.

The following table shows the average PWLB rates for Quarters 1, 2 and 3 and the figures for Quarter 4 to 11th January 2021.

2020/2021	Qtr 1* (Apr - Jun) %	Qtr 2* (Jul - Sep) %	Qtr 3* (Oct – Dec) %	Qtr 4* (rates to 11th Jan 2021) %
7 days notice	-0.04	-0.07	-0.08	-0.08
1 year	1.84*	1.76*	1.38*	0.67*
5 year	1.85*	1.74*	1.43*	0.77*
10 year	2.07*	2.02*	1.74*	1.08*
25 year	2.50*	2.57*	2.30*	1.65*
50 year	2.26*	2.39*	2.12*	1.46*

*rates take account of the 0.2% discount to the PWLB rates available to eligible authorities that came into effect on 1st November 2012.

The Link Asset Services forecast in respect of interest rates for loans charged by the PWLB is as follows:-

Date	Bank Rate %	PWLB Borrowing Rates (including certainty rate adjustment) %		
		5 year	25 year	50 year
March 2021	0.10	0.80	1.50	1.30
June 2021	0.10	0.80	1.60	1.40
Sept 2021	0.10	0.80	1.60	1.40
Dec 2021	0.10	0.80	1.60	1.40
March 2022	0.10	0.90	1.60	1.40
June 2022	0.10	0.90	1.70	1.50
Sept 2022	0.10	0.90	1.70	1.50
Dec 2022	0.10	0.90	1.70	1.50
March 2023	0.10	0.90	1.70	1.50
June 2023	0.10	1.00	1.80	1.60
Sept 2023	0.10	1.00	1.80	1.60
Dec 2023	0.10	1.00	1.80	1.60
March 2024	0.10	1.00	1.80	1.60

The main sensitivities of the forecast are likely to be;

- if it were felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the US and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate borrowing will be undertaken whilst interest rates are still lower than they will be in the next few years.
- if it were felt that there was a significant risk of a sharp fall in long and short-term rates, e.g. due to extended lockdowns into 2022, a marked increase of risks around a relapse into recession, or a risk of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

2.1.4 Borrowing Strategy

The Council's strategy for 2020/2021 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 4.25% for long-term borrowing was set considering the views prevalent at the time the Treasury Management policy was set in March 2020.

In the Government's Spending Review 2020 on 25th November the Chancellor announced the conclusion to the review of interest rate yields above gilt yields for Public Works Loans Board (PWLB) loans. PWLB interest rates were effectively reduced by the 1% rise in rates that had been implemented in October 2019. However, a prohibition has been introduced that will deny 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 (Executive Director of Corporate Services) 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.

The Government have said that they will monitor the implementation of these reforms to make sure that the new lending arrangements are working as intended. MHCLG is also reviewing the effectiveness of the local government borrowing and investment framework, and it is developing options to intervene directly where there are concerns that local authorities are not complying with the intent of the prudential regime.

In line with discussions with the Council's economic advisors, the Council delayed taking out any new borrowing with PWLB whilst the margin offered above gilt rates was 1.80%. PWLB rates continue to be volatile but the overall longer-term expectation is for gilt yields and PWLB rates to rise slowly.

The reduction to PWLB interest rates is likely to make this the 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 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 2020/2021. No changes to loan rates have been received and so these arrangements will continue.

Roll Over Dates	Lender	Amount £m	Rate %	Roll Over Periods
21/04/2020 And 21/10/2020	Barclays	5.0	4.50	Every 6 months
10/12/2020	Barclays	9.5	4.37%	Every 3 years
27/01/2021	Dexia Credit Local	5.0	4.32	Every 3 years
Total		19.5		

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 organised 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:

		2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
1.	Capital Programme Borrowing	189.8	187.8	57.8	14.8
2.	Replacement borrowing (PWLB)	5.0	5.0	0.0	0.0
3.	Replacement LOBO	20.0	10.0	19.5	20.0
TOTAL:		214.8	202.8	77.3	34.8

The Council currently has net treasury borrowing of £201.9m 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. This strategy is prudent as investment returns are low and it also reduces counterparty risk. Consideration will be given to continue utilising some investment balances to fund the borrowing requirement in 2021/2022. This policy has served the Council well over the last few years as investment returns continue to be low. As a result, the Council is currently maintaining a large 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 amount of investments.

Benefits of having a high level of investments are:

- liquidity risk – having a large amount 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 the Council to 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, a benchmark financing rate of 2.60% for any further long-term borrowing for 2021/2022 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 latest interest rate projections for 2021/2022 show short term borrowing rates will be cheaper than longer term rates and as such there may be potential for some opportunities to generate savings by switching from long term debt to short-term debt. These potential savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment premiums incurred, their short-term nature, and the likely cost of refinancing those short-term loans, once they mature, compared to the current rates of longer term debt in the existing debt portfolio.

The Council is keeping 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 MHCLG 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"), and CIPFA Treasury Management Guidance Notes 2018.

The MHCLG 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 January 2021.

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 MHCLG 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 Councils creditworthiness policy. In addition to investments in high credit rated companies the Council has agreed to provide an unsecured investment to Education Partnership North East (EPNE) (which is the group brand for Sunderland College, Northumberland College and Hartlepool Sixth Form College) in order to ensure the medium-term financial stability of a key partner in the delivery of the City Plan.
- 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 MHCLG 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 31st March 2023.

The prudential code states that 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. The Council will not engage in such activity without full consideration of all financial and non-financial risks and subject to the appropriate approval process. The Investment Strategy would subsequently be updated to reflect any such change in approach.

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.

Although the credit rating agencies changed their outlook on many UK banks from stable to negative during the quarter ended 30th June 2020, due to upcoming risks to banks' earnings and asset quality during the economic downturn caused by the pandemic, the majority of ratings were affirmed due to the continuing strong credit profiles of major financial institutions, including UK banks. Banks made provisions for expected credit losses and the rating changes reflected these provisions. Future quarters assessments will be based on actual levels of credit losses which has the potential to cause rating agencies to revisit their initial rating adjustments earlier in the current year. These adjustments could be negative or positive, although it should also be borne in mind that banks went into this pandemic with strong balance sheets. This is predominantly a result of regulatory changes imposed on banks following the Great Financial Crisis. Indeed, the Financial Policy Committee (FPC) report on 6th August 2020 revised down their expected credit losses for the UK banking sector to "somewhat less than £80bn". It stated that in its assessment, "banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC's central projection". The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC's projection, with unemployment rising to above 15%.

All three credit rating agencies have reviewed banks around the world with similar results in many countries of most banks being placed on Negative Outlook, but with a small number of actual downgrades.

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 Executive Director of Corporate Services will monitor long-term investment rates and identify any investment opportunities if market conditions change. It is proposed that delegated authority continues for the Executive Director of Corporate Services, 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 2021/2022 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 2020/2021 short-term interest rates have been materially below long-term rates and some investment balances have been used to fund some long-term borrowing requirements. It is likely that this will continue into 2021/2022 with investment balances being used to fund some long-term 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;
- 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 2021/2022 (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 2020/2021 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 and compares this with the relevant benchmarks and performance from the previous year:

	2019/20 Benchmark	2019/20 Return	To date 2020/21 Benchmark	To date 2020/21
Return	%	%	%	%
Council	0.53	1.01	-0.07*	0.46

* the Benchmark rate is set at 0.125% less than the corresponding 7-Day LIBOR rate which due to the fall in gilts means the benchmark rate in 2020/21 has become negative.

Investment returns are likely to remain low during 2021/22 and are likely to remain very low until the Bank base rate increases.

During 2021/2022 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 7-day London Interbank Bid (LIBID) rate as a benchmark for its investments. Performance is significantly above the benchmark rate, whilst still adhering to the prudent policy agreed by the Council, in what remains a very challenging 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
- commercial investments which are taken for mainly financial reasons. These may include investments arising as part of business structures, such as shares and loans in subsidiaries or other outsourcing structures; or investments explicitly taken with the aim of making a financial surplus for the Council. Commercial investments also include non-financial assets which are held primarily for financial benefit, such as investment properties.

The Executive Director of Corporate Services 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.

Cabinet in its October 2020 meeting endorsed an unsecured investment with EPNE, based on a detailed business plan, in order to ensure the medium-term financial stability of a key partner in the delivery of the City Plan.

Non-treasury investments are covered within the Capital Strategy approved by Council in December 2020.

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: -

Area of Responsibility	Council/ Committee/ Officer	Frequency
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	Executive Director of Corporate Services	Monthly
Treasury Management Practices	Executive Director of Corporate Services	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	Annually by 30/9 after the end of the financial year

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

4.1 The Executive Director of Corporate Services 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). The PWLB rates below are based on the new margins over gilts announced on 26th November 2020. 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 5th January 2021.
- 1.2 The forecast within this strategy statement has been drawn from these diverse sources and officers' own views.

Link Group Interest Rate View		9.11.20		(The Capital Economics forecasts were done 11.11.20)									
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20													
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60
Bank Rate													
Link	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Capital Economics	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	-	-	-	-	-
5yr PWLB Rate													
Link	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
Capital Economics	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	-	-	-	-	-
10yr PWLB Rate													
Link	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
Capital Economics	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	-	-	-	-	-
25yr PWLB Rate													
Link	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
Capital Economics	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	-	-	-	-	-
50yr PWLB Rate													
Link	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60
Capital Economics	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	-	-	-	-	-

2. Survey of Economic Forecasts

2.1 HM Treasury November 2020

The current 2020 base rate forecasts are based from samples of both City and non-City forecasters included in the HM Treasury November 2020 report.

BANK RATE FORECASTS	Annual Average Bank Rate				
	Ave. 2020	Ave. 2021	Ave. 2022	Ave. 2023	Ave. 2024
Average	0.17%	0.24%	0.49%	0.71%	0.89%
Highest	0.23%	1.90%	4.50%	5.00%	5.00%
Lowest	0.10%	0.02%	-0.10%	-0.06%	0.07%

Source: HM Treasury: Forecasts for the UK Economy Nov. 2020 (No.400, 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.

Fitch / S&P's Long-Term Rating	Fitch Short Term Rating	S&P's Short-Term Rating	Moody's Long-Term Rating	Moody's Short-Term Rating	Maximum Deposit £m	Maximum Duration
AAA	F1+	A1+	Aaa	P-1	120	2 Years
AA+	F1+	A1+	Aa1	P-1	100	2 Years
AA	F1+	A1+	Aa2	P-1	80	2 Years
AA-	F1+ / F1	A1+ / A-1	Aa3	P-1	75	2 Years
A+	F1	A-1	A1	P-1	70	365 days
A	F1 / F2	A-1 / A-2	A2	P-1 / P-2	65	365 days
A-	F1 / F2	A-2	A3	P-1 / P-2	50	365 days
Local Authorities (limit for each local authority)					30	2 years
UK Government (including debt management office, gilts and treasury bills)					300	2 years
Money Market Funds (CNAV, LVNAV and VNAV) Maximum amount to be invested in Money Market Funds is £120m with a maximum of £50m in any one fund.					120	Liquid Deposits
Local Authority controlled companies					40	20 years
Strategic Partners					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	

- 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 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 £m
UK	300
Non-UK	50

3. Sector Limit

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

Sector	Limit £m
Central Government	300
Local Government	300
UK Banks	300
Money Market Funds	120
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.

Annex C

Approved Lending List

	Fitch		Moody's		Standard & Poor's			
	L Term	S Term	L Term	S Term	L Term	S Term	Limit £m	Max Deposit Period
UK	AA-	-	Aa2	-	AA	-	300	
Lloyds Banking Group							Group Limit 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	70	365 days
Bank of Scotland Plc (RFB)	A+	F1	A1	P-1	A+	A-1	70	365 days
Royal Bank of Scotland Group (See Note 1)							Group Limit 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	A3	P-2	A-	A-2	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	65	365 days
Barclays Bank plc (RFB)	A+	F1	A1	P-1	A	A-1	65	365 days
Clydesdale Bank *	A-	F2	Baa1	P-2	BBB+	A-2	0	
Co-Operative Bank Plc	B-	B	B3	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+	Aa3	P-1	A+	A-1	70	365 days
Nationwide BS	A	F1	A1	P-1	A	A-1	65	365 days
Standard Chartered Bank	A+	F1	A1	P-1	A	A-1	65	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
Nottingham BS **	-	-	Baa2	P-2	-	-	0	

	Fitch		Moody's		Standard & Poor's			
	L Term	S Term	L Term	S Term	L Term	S Term	Limit £m	Max Deposit Period
Principality BS **	BBB+	F2	Baa2	P-2	-	-	0	
Skipton BS **	A-	F1	Baa1	P-2	-	-	0	
West Bromwich BS **	-	-	Ba3	NP	-	-	0	
Yorkshire BS **	A-	F1	A3	P-2	-	-	50	365 days
Money Market Funds							120	Liquid
Prime Rate Stirling Liquidity	AAA				AAA		50	Liquid
Insight Liquidity Fund	AAA		-		AAA		50	Liquid
Aberdeen Liquidity Fund (Lux)	AAA		AAA		AAA		50	Liquid
Deutsche Managed Sterling Fund	AAA		Aaa		AAA		50	Liquid
Foreign Banks have a combined total limit of £50m								
Australia	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
Canada	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+	Aa2	P-1	AA-	A-1+	50	2 years
Toronto Dominion Bank	AA-	F1+	Aa1	P-1	AA-	A-1+	50	2 years
Denmark	AAA		Aaa		AAA		50	
Danske A/S	A	F1	A2	P-1	A	A-1	50	365 days
Finland	AA+		Aa1		AA+		50	
OP Corporate Bank plc	WD	WD	Aa3	P-1	AA-	A-1+	50	2 years
Germany	AAA		Aaa		AAA		50	
DZ Bank AG (Deutsche Zentral-Genossenschaftsbank)	AA-	F1+	Aa1	P-1	AA-	A-1+	50	2 years
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
Netherlands	AAA		Aaa		AAA		50	
Bank Nederlandse Gemeenten	AAA	F1+	Aaa	P-1	AAA	A-1+	50	2 years

	Fitch		Moody's		Standard & Poor's			
	L Term	S Term	L Term	S Term	L Term	S Term	Limit £m	Max Deposit Period
Cooperatieve Rabobank U.A.	A+	F1	Aa3	P-1	A+	A-1	50	365 days
Nederlandse Waterschapsbank NV	-	-	Aaa	P-1	AAA	A-1+	50	2 years
Singapore	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
Sweden	AAA		Aaa		AAA		50	
Svenska Handelsbanken AB	AA	F1+	Aa2	P-1	AA-	A-1+	50	2 years
Switzerland	AAA		Aaa		AAA		50	
Credit Suisse AG	A	F1	Aa3	P-1	A+	A-1	50	365 days
UBS AG	AA-	F1+	Aa2	P-1	A+	A-1	50	365 days
USA	AAA		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

Strategic Partners

Cabinet in its October 2020 meeting endorsed an unsecured investment with EPNE, based on a detailed business plan, in order to ensure the medium-term financial stability of a key partner in the delivery of the City Plan.

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.

