

## **CABINET MEETING –11 JANUARY 2022**

### **EXECUTIVE SUMMARY SHEET – PART I**

**Title of Report:**

Capital Programme Third Review 2021/2022 (including Treasury Management)

**Author(s):**

Executive Director of Corporate Services

**Purpose of Report:**

This report details:

- The outcome of the Third Capital Review for 2021/2022; and
- Progress in implementing the Treasury Management Borrowing and Investment Strategy for 2021/2022.

**Description of Decision:**

Cabinet is recommended to:

- In respect of the third capital review for 2021/2022 to approve the inclusion of additional schemes or variations to existing schemes for 2021/2022 detailed at Appendix A, as a variation to the Capital Programme; and
- In relation to the Treasury Management Strategy, Cabinet is asked to note the progress in implementing the 2021/2022 Treasury Management Strategy and Prudential Indicators.

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

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

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

As included in the Council's constitution, Cabinet is required to exercise control over capital spend and resources and receives quarterly reports to support this. This report notes the inclusion of additional capital schemes since approval by Cabinet on 12<sup>th</sup> October 2021.

Cabinet is also requested to note the progress in implementing the Treasury Management Strategy for 2021/2022, which is in line with the approved Treasury Management Policies.

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

No alternative options are proposed.

**Impacts analysed:**

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

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

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

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

## **CABINET – 12 JANUARY 2022**

### **CAPITAL PROGRAMME THIRD REVIEW 2021/2022 (INCLUDING TREASURY MANAGEMENT)**

#### **Report of the Executive Director of Corporate Services**

#### **1. Purpose of Report**

##### **1.1 This report details:**

- The outcome of the Third Capital Review for 2021/2022; and
- Progress in implementing the Treasury Management Borrowing and Investment Strategy for 2021/2022.

#### **2. Description of Decision:**

##### **2.1 Cabinet is recommended to:**

- In respect of the third capital review for 2021/2022 to approve the inclusion of additional schemes or variations to existing schemes for 2021/2022 detailed at Appendix A, as a variation to the Capital Programme; and
- In relation to the Treasury Management Strategy, Cabinet is asked to note the progress in implementing the 2021/2022 Treasury Management Strategy and Prudential Indicators.

#### **3. Introduction**

- 3.1 The Capital Programme changes during the year as notifications of additional schemes and resourcing are received and phasing of schemes is reviewed. Variations to the 2021/2022 capital programme, since the 2021/2022 Capital Second Review report to Cabinet on 12<sup>th</sup> October 2021, are shown in section 4 of this report.
- 3.2 Performance in implementing the Treasury Management Strategy and adhering to the agreed Prudential Indicators is detailed in section 5 along with confirmation that the Council is operating within its agreed borrowing limits.

#### **4. Capital Programme Third Review 2021/2022**

- 4.1 Since the Capital Programme was reported to Cabinet on 12<sup>th</sup> October 2021, there have been changes to the 2021/2022 Capital Programme both in terms of expenditure and resourcing. During the third quarter of 2021/2022 further reprofiling and other adjustments have been identified thereby decreasing the Capital Programme by £54.329m from £257.956m to £203.627m in the current year. This is summarised below:

- Reprofiled expenditure of £55.167m from 2021/2022 into future years. The primary reasons for this reprofiling relate to external influences outside of the Council's control, most significantly from Covid-19, or the realignment of projects to ensure best value is achieved; and
- Additional schemes and scheme variations approved since the Capital Programme was last reported, leading to a net increase of £0.988m in 2021/2022; and
- Technical adjustments, which decrease the Capital Programme in 2021/2022 by £0.150m

4.2 Appendix A sets out the detail of the above changes to expenditure and resources for 2021/2022.

4.3 The Council's successful Levelling Up Fund (LUF) Round 1 bid was announced in the Spending Review on 27/10/21, confirming the full £20m bid for had been approved for Sunderland's Housing Eco-system. The package includes £9.158m LUF grant for the Housing Innovation, Construction and Skills Academy (HICSA), £6.141m for the Vaux Housing project and £4.701m for the Sunnyside Regeneration (Nile & Villiers Street) project. The delivery of the HICSA and the Vaux Housing project within the current approved Capital Programme was predicated on securing external funding. The Sunnyside Regeneration (Nile & Villiers Street) project is also reliant on securing external funding and is included within the Capital Programme new starts proposals 2022/2023 considered by Cabinet in November 2021.

4.4 In addition to the LUF grant, further funding of £2.119m has been secured from the Department of Levelling Up, Homes and Communities to fully fund the costs of the delivery the Home of 2030 as part of the Vaux Housing project. The existing Development Funding Agreement in place between the Council and Siglion Developments LLP will be varied to reflect this position.

4.4 The Capital Programme delivery has been impacted by the Covid-19 pandemic and the associated national lockdowns and localised restrictions since March 2020. The Capital Programme First Capital Review for 2021/2022 reported to Cabinet 13th July 2021 advised that industry commentators are indicating that uncertainties continue with upward cost pressures remaining on construction contracts exacerbated by global supply issues with raw materials (both availability and the timing of supplies) alongside labour cost pressures, and that this may manifest itself in increased costs and / or projects being delayed. These pressures to the capital programme remain, and there has been impacts on the timescales of some projects either predominantly or in part. However, there is no confirmation, as yet, that further increases will be unaffordable against current approved capital programme scheme costs, but this will be monitored and reported to Cabinet as necessary, following receipt of further tender prices.

## **5. Review of the Prudential Indicators and Treasury Management Strategy for 2021/2022**

5.1 The Prudential Indicators for 2021/2022 were approved by the Council on 3<sup>rd</sup> of March 201 and are regularly reviewed to ensure that:

- the Council remains within its Authorised Limit for External Debt;

- treasury management decisions are taken in accordance with the Treasury Management Code of Practice and existing Council Treasury Management Policy and Strategy Statement; and
- the capital expenditure control framework operated locally is consistent with, and supportive of, local strategic planning, local asset management planning, and proper option appraisal.

5.2 Internal monitoring procedures track performance daily against the various prudential indicators agreed by the Council. At this stage, the Council is operating within its Authorised Borrowing Limit, which is a statutory limit determined under Section 3 (1) of the Local Government Act 2003 and there are no areas of concern or any issues which require any review of the indicators as originally approved.

### 5.3 Treasury Management Borrowing Strategy – 2021/2022

5.3.1 The Council's strategy for 2021/2022 is to continue to adopt a pragmatic approach in identifying the low points in the interest rate cycle at which to borrow to secure benefit for the Council. A benchmark financing rate of 2.6% for long-term borrowing was set in the Treasury Management Policy and Strategy Statement for 2021/2022 reflecting the views prevalent at the time.

5.3.2 The Council has high levels of planned investment over the four-year Capital Programme, with a significant proportion to be funded by borrowing from the Public Works Loans Board (PWLB). As noted in 5.3.1 a low point in interest rates is targeted to secure this borrowing. Variations in the PWLB interest rates are constantly monitored and following the initial economic impact of a further Covid-19 variant in recent weeks, long term PWLB borrowing rates dropped to 1.40%. The Council took this opportunity to secure a proportion of its borrowing requirement by borrowing £100m at a fixed rate of 1.40% over 50 years. Given that this borrowing, as with other borrowing undertaken by the Council from the PWLB, is on a fixed rate basis then the Council is not exposed to additional interest payments should interest rates subsequently rise. The latest advice from the Council's Treasury Management advisors is that rates will rise slowly over the short to medium term.

### 5.4 Treasury Management Investment Strategy – 2021/2022

5.4.1 The primary aim of the Investment Strategy is the security of Council funds, then having regard to liquidity i.e. the availability of cash to meet Council liabilities, and finally to secure a reasonable rate of return on its investments.

5.4.2 The BoE Monetary Policy Committee (MPC) have revised expectations for 2021 growth to 7% with the economy seen regaining its pre-pandemic level in Q1 2022 which is later than predicted in August. Growth has also trimmed for 6% to 5% in 2022 and is expected to slow sharply to 1.5% in 2023 and 1% in 2024.

5.4.3 The BoE's Monetary Policy Committee (MPC) left monetary policy unchanged at its November meeting, confounding market expectations of a rate hike, the focus for keeping rates on hold was the short term evolution of the labour market.

- 5.4.4 As at 30th November 2021 the Council achieved a rate of return on its investments of 0.12% compared with the 7-day London Interbank Bid (LIBID) rate of -0.08%. Whilst returns available in the market remain historically low, the performance achieved continues to be above the benchmark rate, whilst adhering to the prudent policy agreed by the Council.

## **6. Reasons for Decision**

- 6.1 As included in the Council's constitution, Cabinet is required to exercise control over capital spend and resources, and as such receives quarterly reports to support this. This report notes the inclusion of additional capital schemes since approval by Cabinet on 12<sup>th</sup> October 2021.
- 6.2 Cabinet is also requested to note the progress in implementing the Treasury Management Strategy for 2021/2022, which is in line with the approved Treasury Management Policies.

## **7. Alternative Options**

- 7.1 No alternative options are proposed.

## **8. Impact Analysis**

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

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

- 9.1 None

## **10. List of Appendices**

- 10.1 Appendix A – Variations to the 2021/2022 Capital Programme.

## **11. Background Papers**

Sunderland City Council Capital Programme 2021/2022 to 2024/2025.  
Capital Programme First Review 2021/2022 (including Treasury Management).  
Capital Programme Second Review 2021/2022 (including Treasury Management).  
Capital Programme Planning 2022/2023 to 2025/2026 and Capital Strategy.

## Variations to the 2021/2022 Capital Programme

Portfolio / Project	Latest Budget 2021/2022 £'000	Reprofiling of Expenditure 2021/2022 £'000	Additional Schemes and Cost Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Revised Budget 2021/2022 £'000	Comment
<b>Leader</b>						
Elemore Green Space and Social Enterprise Development	1,000	(400)	0	0	600	Following significant resident consultation on 12 <sup>th</sup> October 2021 Cabinet approved to commence the procurement process and subsequently award the necessary contracts for the capital works required to redevelop the former Elemore Golf Course site in Hetton into an Eco Park, Cafe, Garden and Visitor Centre. Initial building inspections, clearance works, tree planting and redevelopment works to the current car park commenced December 2021 and, subject to planning permission approval for change of use of building expected February 2022, the new visitor garden centre and café is expected to be open for Easter 2022. The value of these works in 2021/2022 is estimated to be £0.6m, requiring £0.4m to be re-profiled for further works into 2022/2023.
<b>Total Leader</b>	<b>1,000</b>	<b>(400)</b>	<b>0</b>	<b>0</b>	<b>600</b>	
<b>Deputy Leader</b>						
Microgrid Backbone	1,665	9,649	0	0	11,314	The second review report to Cabinet 12th October 2021 confirmed the Council had secured £14.951m grant from the Department for Business, Energy and Industrial Strategy (BEIS) to provide significant energy infrastructure enabling works at the International Advanced Manufacturing Park (IAMP). Since the award of this grant, discussions with BEIS have continued regarding the project delivery mechanisms resulting in £9.649m acceleration in use of this grant to align to the agreed payment profiles to energy providers.

Portfolio / Project	Latest Budget 2021/2022 £'000	Reprofiling of Expenditure 2021/2022 £'000	Additional Schemes and Cost Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Revised Budget 2021/2022 £'000	Comment
Redevelopment of Parsons Depot including Electrical Vehicle Infrastructure	9,351	(5,151)	0	0	4,200	Following approval by Cabinet of the appointment of a contractor to undertake the works for the redevelopment of the Parsons Depot additional gas surveys were required to be undertaken on site and reviewed before the substructures/structural frame/external cladding/roofing design could be designed and submitted for planning approval by the main contractor. These factors contributed to a delayed start on site in August 2021. Based upon the contractor's revised programme, the construction of the depot is now scheduled to be complete July 2022, and the works to the external site and demolition of the old building is now scheduled to complete by Autumn 2022. The electric vehicle infrastructure at Parsons is being delivered as part of the main construction contract; for Jack Crawford House this is scheduled for completion by Spring 2022. There is therefore £5.151m required to be reprofiled from 2021/2022 into 2022/2023.
Riverside Sunderland Multi- Storey Car Park	8,555	(3,455)	0	0	5,100	Following planning approval in March 2021, procurement of a construction contractor for the new MSCP on Riverside Sunderland commenced in April 2021 and following a competitive tender process, Sir Robert McAlpine was appointed in June 2021 as the preferred bidder to deliver the single stage Design & Build Contract. Following some minor re-design work the subsequent resubmission of planning documents were approved in October 2021. Work commenced on site in October 2021 and the project is programmed to compete by August 2022. Budget of £3.455m is to be reprofiled from 2021/2022 to 2022/2023 to match the revised timescales.



Portfolio / Project	Latest Budget 2021/2022 £'000	Reprofiling of Expenditure 2021/2022 £'000	Additional Schemes and Cost Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Revised Budget 2021/2022 £'000	Comment
Sunderland Eye Infirmary	5,336	(3,424)	0	0	1,912	Since April 2021, the project to develop a new eye infirmary in Sunderland has progressed through extensive clinical engagement with the NHS trust to develop the design through to RIBA Stage 3 sign off and, following a slight delay to resolve objections received from statutory consultees, the project received planning permission in November 2021. Following a competitive tender process, Kier Construction Ltd were appointed in November 2021 as the preferred bidder to deliver the project in a 2 stage Design & Build Contract. Kier will now progress the project through the first stage of the Pre-Contract Services Agreement (PCSA) to develop the detailed technical design and full costing, to provide a guaranteed maximum price in May 2022. As such, only design, survey and professional fees will be expended in the 2021/2022 financial year, along with the PCSA costs expended by Kier. Kier's proposed delivery timescales show the construction commencing on site in August 2022 and completing in October 2024. Budget of £3.424m is to be reprofiled from 2021/2022 to future years to match the revised timescales.
Replacement Crematorium	1,945	(1,945)	0	0	0	Following project scoping work the current Crematorium site was deemed unsuitable to accommodate the development of a new facility. The requirement to find an alternative site for the new Crematorium has led to delays in implementation of the scheme, with evaluation of potential options ongoing. As a result, the £1.945m 2021/2022 budget is to be reprofiled into future years.
Seaton Lane Junction Imps – Durham CC	2,342	(1,685)	0	0	657	The improvements to the junction at Seaton are to be delivered by Durham CC and funded by the Housing Infrastructure Fund to support the South Sunderland Growth Area (SSGA) housing development. There is a delay to start of construction due to ongoing ecology surveys. Enabling works now expected to start January 2022 with main construction works in 2022/2023, resulting in £1.685m to be re-profiled from 2021/2022 to 2022/2023. Completion of all works is May 2023.

Portfolio / Project	Latest Budget 2021/2022 £'000	Reprofiling of Expenditure 2021/2022 £'000	Additional Schemes and Cost Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Revised Budget 2021/2022 £'000	Comment
SSGA - Ryhope Doxford Link Road	3,115	(1,499)	0	0	1,616	The development of the link road from Ryhope to Doxford to support the provision of new housing in the SSGA has progressed with construction enabling works commenced in November 2021. However, the receipt of the programme of works from the main contractor confirmed that the main construction works are due to commence early 2022 resulting in £1.499m to be re-profiled from 2021/2022 into 2022/2023 to match their schedule. Completion of all works is expected December 2022.
A183 Whitburn Road Two-Way Cycle Lane	1,250	(1,215)	0	0	35	In November 2020 the Department for Transport (DfT) awarded £1.125m Active Travel Fund grant (Tranche 2), matched with £0.125m Council contribution. The balance of the budget of £1.215m in 2021/2022 will be reprofiled into 2022/2023 to deliver works in that year, following confirmation from the DfT that the funding remains available for use.
Port Enterprise Zone	1,668	(971)	0	0	697	The commencement of the ground and utility works at the 'Trinity Rail Road and Sea' site of the Port Enterprise Zone has experienced a delay linked to a minor redesign of the scheme. The revised scheme will be submitted for planning approval to the relevant Planning and Highways committee in January 2022. Commencement of works is now anticipated during quarter 1 2022/2023, with completion expected during quarter 3 2022/2023, resulting in £0.971m to be reprofiled from 2021/2022 into 2022/2023.
Scheme Feasibility & Design	5,258	0	0	(750)	4,508	A budget of £0.750m allocated within the Scheme Feasibility and Design project is to be vired to the main Culture House project in recognition of aligning costs to match the Future Hight Street funding of that project.

Portfolio / Project	Latest Budget 2021/2022 £'000	Reprofiling of Expenditure 2021/2022 £'000	Additional Schemes and Cost Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Revised Budget 2021/2022 £'000	Comment
Energy and Carbon 2030 Development	800	(625)	150	0	325	The Energy and Carbon capital scheme was approved to fund a portfolio of projects as the Council respond to the Climate Emergency to link the Low Carbon Action Plan to an Energy Action Plan focussed on the catchment areas around North East Washington including IAMP and Nissan and the City and the Port. To support this work, a Microgrid Project Accelerator grant of £0.150m from the Department for Business, Energy and Industrial Strategy was secured by the Council to commission a critical success brief including technical/operational and economic evaluation to steer the microgrid proposal towards an investible solution and is scheduled to complete January 2022. Thereafter, once the results are known, further work will be commissioned to move this forward, with £0.625m budget to be reprofiled from 2021/2022 into future years to support this.
Sustainability Mobility Hub	745	(395)	0	0	350	The Mobility Hub is progressing well with market engagement, delivery of electric vehicles, e-bikes and charging infrastructure all planned to be completed this financial year. Further developments are to progress in 2022/2023 including digital interface technology to provide Mobility as a Service (MaaS) platforms, combining journey planning with booking, payment and e-ticketing, requiring 0.395m to be reprofiled from 2021/2022 into that year.

Portfolio / Project	Latest Budget 2021/2022 £'000	Reprofiling of Expenditure 2021/2022 £'000	Additional Schemes and Cost Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Revised Budget 2021/2022 £'000	Comment
Coastal Defence - Strategic Frontage 3	1,825	(353)	0	0	1,472	Coastal defence works to the Strategic Frontage 3 continue including to the Rock Armour later this year. However, these works are to progress later than planned due to the specialised nature of the materials and limited number of suppliers. The successful supplier is outside the UK and consideration was required to international commercial terms before entering into contract and proceeding. The result of this is to delay further the planned follow-on works to the Hendon Foreshore Barrier, resulting in £0.353m to be re-profiled from 2021/2022 into 2022/2023.
City Gateways Large Screen Advertising	398	(348)	0	0	50	On 12th October 2021 Cabinet approved the procurement of a co-investment concession contract with a partner for the funding, purchase, installation, maintenance, and management of advertising for Large Digital Media Advertising screens in the City over an initial five-year period. Whilst the contract will progress in 2021/2022, £0.348m is to be reprofiled from this year to align with the funding of potential opportunities in future years.
Holmeside Bus Rationalisation and Priority Measures	500	(300)	0	0	200	The rationalisation of traffic movements to and through Holmeside is supported by funding from the Transforming Cities Fund. The main works for this are due to commence April 2022 following the planned submission, and approval, of the final business case for this funding in March 2022. £0.400m will therefore be re-profiled from 2021/2022 into 2022/2023 to support these works.
Play and Urban Games	79	0	265	0	344	Additional works will improve various play facilities throughout Sunderland including Grindon Lane Play Area, Hylton Road Play Area, Keir Hardy Play Area, Quarry House Play Area, and other play areas with a cost estimate of £0.265m. The projects are financed via Neighbourhood Fund and S106 agreements.
Other Projects	61,160	(143)	2	0	61,019	Minor funded variations below £0.150m.
<b>Total Deputy Leader</b>	<b>105,992</b>	<b>(11,860)</b>	<b>417</b>	<b>(750)</b>	<b>93,799</b>	

Portfolio / Project	Latest Budget 2021/2022 £'000	Reprofiling of Expenditure 2021/2022 £'000	Additional Schemes and Cost Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Revised Budget 2021/2022 £'000	Comment
<b>Cabinet Secretary</b>						
Solar PV Battery Storage	2,533	(1,058)	0	0	1,475	The installation of solar PV and battery storage at five Council buildings will complete this financial year, and at lower cost than originally anticipated. As the project is supported 50% by funding from the European Regional Development fund, a variation request has been submitted to the Department for Levelling Up, Housing and Communities to support further energy efficiency investment including to provide solar PVs at the Riverside Sunderland MSCP, St Marys Car Park and Bunnyhill. The outcome of this variation request is expected by early January 2022, and if successful, works will progress in 2022/2023 requiring a budget of £1.058m to be reprofiled from 2021/2022 into that year.
Jackie Whites Market Improvements	400	(400)	0	0	0	The improvements to Jackie Whites Market were on hold following Covid-19 restrictions. The works are now scheduled to be delivered in 2022/2023 resulting in £0.4m to be reprofiled into that year.
ICT Infrastructure	476	(260)	0	0	216	The ICT Infrastructure project includes five strands of investment into ICT services to provide efficiencies Council-wide. Over £1.3m has been invested to date from this project, primarily on replacement end user devices and the Civica Revenues & Benefits System, however, there is £0.260m budget to be re-profiled from 2021/2022 into 2022/2023 due to the changing technical landscape with regards cloud infrastructure and the opportunity to undertake a proof of concept to inform the most appropriate direction of travel for the Council.

Portfolio / Project	Latest Budget 2021/2022 £'000	Reprofiling of Expenditure 2021/2022 £'000	Additional Schemes and Cost Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Revised Budget 2021/2022 £'000	Comment
City Alarm and Emergency Centre	386	(56)	0	0	330	The City Alarm and Emergency Centre relocated to the Tyne & Wear fire station headquarters at Barmston in November 2021. The only outstanding potential works being the procurement of an enhancement to the Management System, and it is expected this will provided in 2022/2023 with the balance of the £0.056m budget to be reprofiled into that year.
Other Projects	19,867	0	0	0	19,867	No Variations.
<b>Total Cabinet Secretary</b>	<b>23,662</b>	<b>(1,774)</b>	<b>0</b>	<b>0</b>	<b>21,888</b>	
<b>Children, Learning &amp; Skills</b>						
Hetton Primary School - new build	3,955	(1,347)	0	0	2,608	Works commenced August 2021 to the Hetton Primary new build. However, there is a longer lead in time than previously programmed for the fabrication and delivery of the steel frame to site. The main contractor has provided a revised cashflow forecast for this build taking this into consideration, resulting in £1.347m to be re-profiled from 2021/2022 into 2022/2023. The works remain scheduled to complete August 2022 to support the school opening September 2022.
Children's Residential Homes	1,063	(700)	0	0	363	The plans for additional children's residential home places to reduce the reliance upon external placements continues to progress following the refurbishment of Nook Lodge into a 3 bed children's home. There are plans to acquire two accommodations - one for Together for Children's new edge of care service (Wear Together) and the other for a new children's home supporting children and young people with Autism and Learning Disabilities. However, as yet, suitable accommodation has not been located and secured, resulting in £0.700m to be re-profiled from 2021/2022 into 2022/2023.

Portfolio / Project	Latest Budget 2021/2022 £'000	Reprofiling of Expenditure 2021/2022 £'000	Additional Schemes and Cost Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Revised Budget 2021/2022 £'000	Comment
Newbottle Primary Academy Extension & ASD Unit	654	(246)	0	0	408	The extension works to the Newbottle Primary school have progressed with provision of a new car park and access road. However, the design of the extension to the building and provision of the ASD Unit has not yet been finalised pending consideration to optimum size of the ASD Unit and the potential for low carbon measures integration. As a result, £0.246m is to be re-profiled from 2021/2022 into future years.
Other Projects	15,206	171	0	0	15,377	Minor funded variations below £0.150m.
<b>Total Children, Learning &amp; Skills</b>	<b>20,878</b>	<b>(2,122)</b>	<b>0</b>	<b>0</b>	<b>18.756</b>	
<b>Dynamic City</b>						
Riverside Sunderland Infrastructure	25,442	(21,156)	0	0	4.286	The various work packages, including the new wear footbridge, to deliver on the Riverside Sunderland Masterplan are progressing, but at varying stages of design, consultation and works, including via the Scheme Feasibility and Design project. Work to create cascading water gardens to provide surface water attenuation is in progress following the contractor commencing on site in November 2021 and programmed to complete in May 2022. Whilst the timescales for the full development currently extend to 2024/2025, there will be initial works completed to support the Future Living Expo in Summer 2023. To align with the current development timescales, there will be £21.156m reprofiled from 2021/2022 into future years.
Strategic Acquisitions and Developments	32,226	(10,475)	0	0	21,751	Funding is provided to acquire real estate properties to support strategic economic regeneration and the City Plan. However, as opportunities and negotiations progress, the timeline for some of the proposals has been reviewed, requiring £10.475m to be reprofiled into future years.

Portfolio / Project	Latest Budget 2021/2022 £'000	Reprofiling of Expenditure 2021/2022 £'000	Additional Schemes and Cost Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Revised Budget 2021/2022 £'000	Comment
Housing Delivery & Investment Plan	11,000	(862)	0	0	10,138	The delivery to meet the planned outcomes of the Housing Delivery Investment Plan continues with over £7m invested to date into new bungalows and bringing empty properties into use. However, £0.862m is required to be reprofiled from 2021/2022 into 2022/23. This relates to the slippage of phase 2 of Cork Street bungalows being nine bungalows for tenants with physical disabilities. The original completion was expected by March 2022 but due to the further impact in part from the Covid-19 pandemic from supply chains and resourcing issues the revised date is September 2022. The completion of the 1st phase of eight Bungalows is expected by December 2021.
Seaburn Public Realm	1,206	(706)	0	0	500	Due to the long lead-in time for delivery of materials as well as ensuring works do not interfere with seafront trade over the festive period the Ocean Park frontage works have been delayed from Autumn 2021 until January 2022. Completion of these works is now expected to be Summer 2022, resulting in £0.706m to be reprofiled from 2021/2022 into 2022/2023. In addition works to Cut-Throat Dene are now scheduled for Spring to Autumn 2022.
Northern Spire Park	750	(500)	0	0	250	The Northern Spire Park project is to deliver 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 feasibility works and work to secure external funding to progress this project continue, and £0.500m budget is to be reprofiled from 2021/2022 into future years to align to current timescales.
Housing Other Sites	624	(374)	0	0	250	Provision is included 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. A review of the timelines for works on potential sites requires £0.374m to be reprofiled from 2021/2022 into 2022/2023.



Portfolio / Project	Latest Budget 2021/2022 £'000	Reprofiling of Expenditure 2021/2022 £'000	Additional Schemes and Cost Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Revised Budget 2021/2022 £'000	Comment
Hetton Downs Regeneration	335	(321)	0	0	14	Agreement has not been reached with the owners of the remaining two properties planned for purchase in Maudlin Street, and there is to be consideration regarding alternative plans. In addition, following a consultation with local residents the previously earmarked funding for the purchase and repair of properties in Edward and Fairy streets is now planned to support a development in that area which will provide landscaping and environmental improvements including provision of gardens to homes with the potential to include green energy upgrades. These changes require £0.321m budget to be re-profiled from 2021/2022 into 2022/2023 to match the revised planned activities.
Bishopwearmouth Townscape Initiative Phase 2	497	(244)	0	0	253	This project, supported by the Heritage Lottery Fund, provides grants to owners / tenants to repair and restore historic properties in the Bishopwearmouth area. Whilst there has been positive progress to date with over £1.5m improvements to business properties and the Town Park, Covid-19 lockdowns and restrictions have significantly reduced incomes of bars, restaurants, and cafes, including the businesses intended to participate in this scheme. Due to their current financial considerations, business owners continue to seek to delay contributing to building works until the economy is expected to improve. This has resulted in £0.244m budget to reprofiled from 2021/2022 to 2022/2023.
Sunderland Seafront Trust - CCF Round 5	832	(220)	0	0	612	Works to bring vacant assets into use as commercial premises along the Seaburn and Roker seafronts are progressing. However, £0.220m budget is to be reprofiled from 2021/2022 into 2022/2023 for works in that year including the Beach Huts which were delayed following industry-wide price rises resulting in a review of costs. Following a planned review of proposals to contain the cost within the budget available these works are now expected to complete June 2022.

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Heritage Action Zone (HAZ) Partnership Grant Scheme	334	(156)	0	0	178	Design works to the improvements to the Elephant Tea Room are in progress. However, a requirement to obtain a stopping up order due to planned building frontage works encroachment onto the footpath as well as extended lead times for materials will result in £0.156m to be reprofiled from 2021/2022 into 2022/2023.
Hendon Health Centre	125	(125)	0	0	0	The Hendon Health Centre became vacant at the end of 2019. An alternative use is now being considered and if progressed then it is proposed the funding be used for refurbishment of the building rather than demolition. However, this will not proceed until 2022/2023 requiring the budget of £0.125m to be reprofiled into that year from 2021/2022.
Other Projects	22,003	0	0	0	22,003	No Variations.
<b>Total Dynamic City</b>	<b>95,374</b>	<b>(35,139)</b>	<b>0</b>	<b>0</b>	<b>60,235</b>	
<b>Healthy City</b>						
Day Centre Transformation & Improvement	1,996	(1,950)	0	0	46	Design work for the Day Centre Transformation Programme has been completed. This has taken longer than expected due to Covid-19 and the complexity of the works including the consideration to the proposal to include a hydrotherapy pool and further consultations with families / architects on the design / layout of the new building on the appropriate way of day services to operate going forward. Cabinet approved on 16th November 2021 the proposal of additional £2.602m funding of additional costs including for the hydrotherapy pool. Next steps in the new build will focus on the project plan/development and the final tender of the build starting in April/May 2022. This will result in a re-profiling of £1.950m from 2021/2022 into 2022/2023 and £4m from 2022/2023 into 2023/2024.

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Disabled Facilities Grants	4,151	0	481	0	4,632	As confirmed in the Better Care Fund spending plan, the 2021/2022 allocation for Sunderland is £4.055m. There is an additional £0.481m Disabled Facilities Grant than that had been assumed for the Council upon confirmation of national allocations earlier in the year. This will extend the provision of disabled facilities works and equipment in the current financial year.
ICT / Assistive Technology	500	(300)	0	0	200	Due to the global shortage of silicon chips from the demand for integrated circuits caused by Covid-19 (chip production facilities were shut down or reduced capacity leading to the depletion of inventories) this has delayed the purchase of various assistive technology (AT) equipment resulting in a reprofiling of £0.300m from 2021/2022 into 2022/2023. The project will also link into the Council's recent 20-year strategic partnership announcement with BAI Communications who will design, build and operate next generation digital infrastructure including a private 5G small cell network within the City to ensure the right AT infrastructure and solutions are supported.
Other Projects	383	0	0	0	383	No Variations.
<b>Total Healthy City</b>	<b>7,030</b>	<b>(2,250)</b>	<b>481</b>	<b>0</b>	<b>5,261</b>	
<b>Vibrant City</b>						
Neighbourhood Renewal	2,309	(1,322)	0	0	987	Neighbourhood Renewal schemes across the 5 areas are determined and approved by Area Committees, with approximately £1.3m approved to date. Following further residents' consultation on specific schemes, there is expected spend of £0.987m in 2021/2022 resulting in £1.322m to be reprofiled from this year into 2022/2023.

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Culture House	606	0	0	750	1,356	The development of Culture House, the new 80,000 square foot library and archive facility, has progressed with required site acquisition and design works. The budget of £0.750m allocated within the Scheme Feasibility and Design project is to be vired to the main Culture House project in recognition of aligning costs to match the Future Hight Street funding of that project.
Washington F Pit Heritage Visitor Centre and Albany Park Improvements	300	(300)	0	0	0	Feasibility and design of the improvements to the F-Pit Heritage Visitor Centre at Washington continue but are unlikely to finalise until later in the current financial year, resulting in the £0.3m 2021/2022 budget to be reprofiled into 2022/2023.
Festival of Light	150	0	0	(150)	0	The refresh of the lighting offer for the Festival of Light in 2021/2022 has been provided by hiring rather than purchasing lights and equipment.
Washington AFC Sports Facilities Upgrade	0	0	90	0	90	Upgrade of sports facilities at Washington AFC fully funded by S106 developer funding, as approved by Cabinet on 7 <sup>th</sup> December 2021.
Other Projects	655	0	0	0	655	No Variations.
<b>Total Vibrant City</b>	<b>4,020</b>	<b>(1,622)</b>	<b>90</b>	<b>600</b>	<b>3,088</b>	
<b>TOTAL CAPITAL PROGRAMME</b>	<b>257,956</b>	<b>(55,167)</b>	<b>988</b>	<b>(150)</b>	<b>203,627</b>	