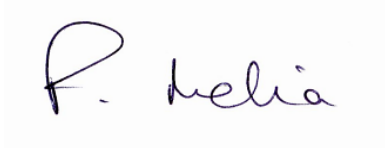


CITY HALL,  
SUNDERLAND.  
10 February 2023.

**TO THE MEMBERS OF SUNDERLAND CITY COUNCIL**

**YOU ARE SUMMONED TO ATTEND A MEETING** of Sunderland City Council to be held in the **Council Chamber, City Hall, Plater Way, Sunderland, SR1 3AA** on **WEDNESDAY 22 FEBRUARY 2023 at 4.00 p.m.** at which it is proposed to consider and transact the following business:-

- |           |  |           |
|-----------|--|-----------|
| <b>1.</b> | <b>To read the Notice convening the meeting.</b>   | <b>-</b>  |
| <b>2.</b> | <b>Apologies.</b>  | <b>-</b>  |
| <b>3.</b> | <b>To approve the minutes of the last ordinary meeting of the Council held on 25 January 2023 (copy attached).</b>   | <b>1</b>  |
| <b>4.</b> | <b>Receipt of Declarations of Interest (if any).</b>   | <b>-</b>  |
| <b>5.</b> | <b>Announcements (if any) under Rule 2(e).</b>   | <b>-</b>  |
| <b>6.</b> | <b>Report of the Cabinet.</b>  | <b>19</b> |
|           | <b>(i) Capital Programme 2023/2024 to 2026/2027 and Treasury Management Policy and Strategy 2023/2024, including Prudential Indicators for 2023/2024 to 2026/2027.</b> | <b>23</b> |
|           | <b>(ii) Revenue Budget and Proposed Council Tax for 2023/2024 and Medium-Term Financial Plan 2023/2024 to 2026/2027.</b>   | <b>24</b> |
|           | <b>(iii) Determination of Council Tax 2023/2024.</b>   | <b>25</b> |

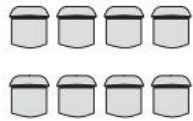
A handwritten signature in black ink that reads "P. Melia". The signature is written in a cursive style with a large initial "P" and a small dot over the "i" in "Melia".

**PATRICK MELIA, CHIEF EXECUTIVE.**

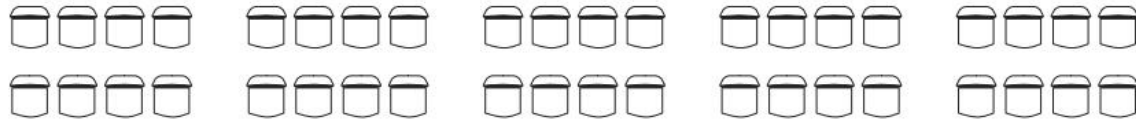
The meeting will be livestreamed for the public to view on the Council's YouTube channel at <https://youtube.com/live/3FQpouC7yM4?feature=share>

For further information and assistance, please contact:  
Christine Tilley, Community Governance Services Team Leader  
Email: [christine.tilley@sunderland.gov.uk](mailto:christine.tilley@sunderland.gov.uk)

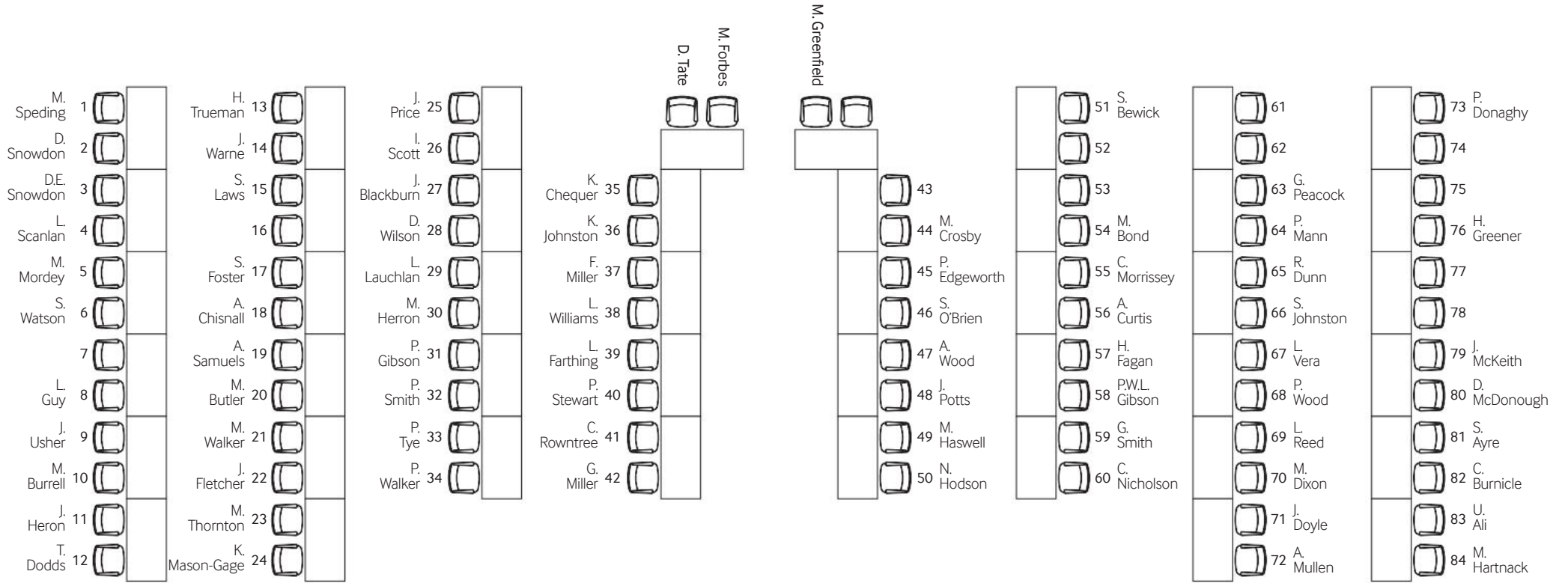
**Chief Officer seating**



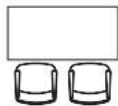
**Press and Public Gallery**



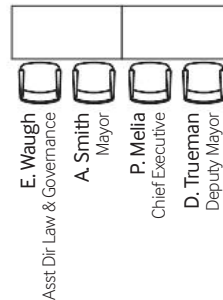
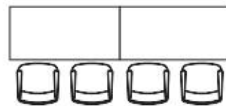
**Honorary Aldermen**



**AV Access**



**Governance Services**





# ***Minutes***



## Sunderland City Council

At a meeting of SUNDERLAND CITY COUNCIL held in the COUNCIL CHAMBER, CITY HALL, SUNDERLAND on WEDNESDAY 25 JANUARY 2023 at 4.00pm

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

Councillors	Ali	Farthing	Miller, F.	Snowdon, D. E.
	Ayre	Fletcher	Miller, G.	Speding
	Bewick	Foster	Mordey	Stewart
	Blackburn	Gibson, P. W. L.	Morrissey	Thornton
	Bond	Gibson, P.	Mullen	Trueman, H.
	Burnicle	Greener	Nicholson	Tye
	Burrell	Guy	O' Brien	Usher
	Butler	Hartnack	Peacock	Vera
	Chequer	Haswell	Potts	Walker, M.
	Chisnall	Heron	Price	Walker, P.
	Crosby	Herron	Reed	Warne
	Curtis	Hodson	Samuels	Watson
	Dodds	Johnston, K.	Scanlan	Williams
	Donaghy	Johnston, S.	Scott	Wilson
	Doyle	Laws	Smith, G.	Wood, A.
	Dunn	Mann	Smith, P.	Wood, P.
	Edgeworth	McDonough	Snowdon, D.	

### Also Present:-

Honorary Aldermen Greenfield and Tate.

The notice convening the meeting was read.

### Apologies

Apologies for absence were submitted to the meeting on behalf of Councillors Dixon, Fagan, Lauchlan, Mason-Gage and Rowntree together with Alderman Forbes.

### Minutes

28. **RESOLVED** that the minutes of the meeting of the Council held on 16 November 2022 be confirmed and signed as a correct record.

### Declaration of Interests

There were no declarations of interest.

## **Announcements**

The Mayor had no announcements to make.

### **Citywide approach to Carbon Reduction – Verbal update by the Deputy Leader of the Council**

In the absence of the Deputy Leader, the Mayor invited the Cabinet Secretary to present an update to Council on the Citywide approach to carbon reduction.

The Cabinet Secretary provided an update regarding ongoing progress being made in relation to carbon neutral goals and reported that progress had been made across the priority areas set out in the Low Carbon Framework and Action Plan in the recent months.

The Cabinet Secretary advised that in terms of approach and data:-

- For the second year running, the Council had received a grade 'A' leadership status in relation to its submission to the Carbon Disclosure Project (CDP). Sunderland was one of 123 cities globally (and 1 of 19 in the UK) to receive this status in 2022, which reflected the city's commitment to delivering against ambitious targets and provided an opportunity to increase knowledge of Sunderland's relative strengths and weaknesses to continue to inform its action on climate change;
- The Council published its second Annual Carbon Report in November, covering the Council's emissions for the 2021/22 financial year as well as Sunderland's Citywide Emissions for the calendar year 2020 (the most recent year for which data had been published). The City Council's direct operations emitted 7,497.52 tonnes of Carbon Dioxide (CO<sub>2</sub>) equivalent in the 2021/22 financial year. This was a 12.4% reduction from the previous year (2020/21). City-wide, Sunderland emitted 1,039,057 tonnes of CO<sub>2</sub> in 2020. This was an 11.5% reduction from the previous year (2019).

The Cabinet Secretary advised that in terms of engagement:-

- Following the WWF We Love Cities public engagement campaign that Sunderland took part in throughout September and October, Sunderland City Council was invited to take part in one of WWF's virtual COP27 events. Councillor Graeme Miller spoke to delegates in the live-streamed hybrid event 'People Power for Cities' about how cities can use public engagement to achieve ambitious climate action, providing a virtual presentation focusing on the Council's work engaging with children and young people on sustainability;



- In November the Sunderland Climate Friendly Schools project was launched, during COP27 fortnight, at an event at City Hall to which all interested Sunderland schools were invited. Led by Outdoor and Sustainability Education Specialists (OASES), the project aimed to improve environmental literacy and to increase positive action to tackle climate change. Following the event, 15 primary, secondary and special schools from across Sunderland had been selected to take part in the project - ten in the Sunderland Climate Friendly Schools Pilot and five linked to the new Wear Sustainable Resources which would be developed to support all schools. In addition, all Sunderland Schools would be invited to take part in the new Sunderland Climate Friendly Schools Network which was being set up;
- On 3<sup>rd</sup> December the Low Carbon team attended the 'Upcycled Christmas' event at Sunderland Museum and Winter Gardens. The free event gave visitors an opportunity to make low-cost upcycled Christmas decorations and was well attended, especially by families with children. The Low Carbon Team discussed recycling over Christmas with local residents and asked them to add a low carbon suggestion or pledge to a Christmas pledge tree;
- The young people's Environmental Green and Sustainable Group (known as EGS) held its sixth meeting on January 18th. The group focused on the issue of plastic pollution and litter at Sunderland's coast and rivers and spoke with representatives from the Coast Project and Seascapes. The group meeting would be followed up with young people representing the EGS Group at the January 2030 Shadow Board meeting and with a group litter picking session in March at Roker;
- And finally on engagement, as part of the Council's UK100 pledge, they submitted a bid to participate in the Low Carbon Engagement (LCE) programme. Sunderland was one of 21 local authorities selected across the two LCE programmes from 75 applications and one of only 5 authorities to be successful in securing in-depth project support. Sunderland's project was focusing on public engagement around sustainable travel behaviours. The project had provided training to approximately 20 Council and TfC colleagues from a range of service areas to date and the group were developing three areas of activity linked to increasing the take-up of cycling, redesigning and improving the home to school transport offer, and social prescribing.

The Cabinet Secretary went on to say that in terms of project delivery:-

- The BREEZ project, which supported small and medium sized businesses (SMEs) with energy efficiency measures, was now within its final 6 months of delivery. To date, £402,000 of grant funding had been committed or defrayed across 84 SMEs, with a further £120,000 of grant funding still available;
- Through the Warm Homes Fund, the City Council had already assisted 148 households with energy saving advice and welfare support and were now operational on the delivery against the target of 135 air source heat pumps to electrically heated properties by July 2024;

- A programme of work had been developed with BAI Communications and Nomad to accelerate decarbonisation of the Council's operational estate, following a successful Digital Catapult proof of concept project. 14 buildings had recently been identified for this programme and initial survey work had taken place;
- Work commissioned from a consultant to assist with the development of an electric vehicle infrastructure assessment and roadmap for Sunderland had recently been completed and an EV Delivery Plan was now being finalised. The roadmap took an evidence-based approach, drawing on the work of the consultants, taking into account existing charging infrastructure and opportunities for growth on a city-wide basis to support the needs of residents and key stakeholders. One early action in this Delivery Plan would be a city-wide feasibility exercise for EV Residential Community Hubs which was due for completion in March. The On-street Residential Charge-point Pilot Scheme had been completed with 2 chargers installed at each of the following locations: Market Street, Hetton; Harbour View, Roker; Morgan Street, Southwick; Ocean Road, Grangetown, and Aldenham Road, Lakeside Village;
- Linked to decarbonisation of transport, in terms of the Council's fleet, the EV Hub at Parsons Depot had now had 25 fast chargers and 5 rapid charging units installed prior to occupation. This would support phased decarbonisation of fleet based on operational requirements and the availability of appropriate technology;
- On micro-mobility, a new partnership had begun with Zwings as the new e-scooter provider for Sunderland. Zwings had initially deployed 100 e-scooters across the city and this number would increase during the year. The e-scooter trial was scheduled to run to May 2024;
- On 1<sup>st</sup> December, the Low Carbon Team worked with teachers and 90 pupils from St Anne's and St Cuthbert's RC Primary Schools and Broadway Junior School to plant 150 trees within their respective school grounds. The trees had been grown from acorns and horse chestnuts by a local resident in South Hylton who was keen to support environmental education as well as the Council's work on carbon reduction, and many of the school children responded by sending letters of thanks back to the local resident. Planting plans for a number of sites across the city as part of the commitment to the NE Community Forest were also currently being developed;
- The Council also now had the new recycling shop called 'Revive', which had opened at the Household Waste & Recycling Centre at Pallion, which was operating 7 days a week. All proceeds go to St Vincent's to help support the most vulnerable members of the local community;

- And finally, the Deputy Leader had just graduated from the UK100's first Climate Leadership Academy. This had provided an extremely valuable opportunity – as part of a cohort of 20 Elected Members leading on climate action from across the UK – to hear from a wide range of experts, to share knowledge (both of successes and challenges), and to take part in an extremely valuable and comprehensive programme of workshops and development sessions on everything from biodiversity and retrofit to green jobs. As the first North East local authority to be selected to take part in this Climate Leadership Academy, the Cabinet Secretary expressed his belief, that it will continue to provide a valuable forum as we all work together to achieve our ambitious goals – both as an organisation and across the city as a whole.

The Cabinet Secretary stated that he hoped that this provided a useful and positive update on work that was ongoing within the Council and with its partners and that updates would continue to be provided to Council as appropriate going forward. A number of questions were asked regarding aspects of the approach to carbon reduction, to which responses would be provided separately.

**29. RESOLVED** that the information be noted.

### **Reception of Petitions**

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

Councillor McDonough – Petition asking the Council to install a safe crossing point on Silksworth Road in Herrington in the form of a pelican crossing or a zebra crossing.

Councillor McDonough – Petition asking the Council to call on Gentoo to work together to install more parking spaces around Lakeside Village and the towers.

Councillor Vera – Petition asking the Council for support for the application of a hot food takeaway for Cole Kitchen.

Councillor Edgeworth – Petition asking the City Council's Infrastructure Department to include the Hastings Hill subway under the A183/Chester Road in the list of subways that would be fully surveyed and assessed as part of the review of all subways within the City.

Councillor Farthing – Petition from Hope Shield Residence expressing concerns in relation to parking and security, fire and also a fence.

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

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

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

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

### Report of the Cabinet

The Cabinet reported and recommended as follows:-

#### 1. Council Tax Base 2023-2024

That at its meeting held on 19 January, Cabinet gave consideration to a report of the Director of Finance (copy attached) regarding the calculation of the Council Tax Base for 2023/2024 and to seek approval to recommend to Council the Council Tax Base for 2023/2024 in accordance with the Local Government Finance Act 1992 as amended by the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

Accordingly, the Cabinet recommended to Council that:-

- (i) the report for the calculation of the Tax Bases for the City Council and Hetton Town Council for 2023/2024 be approved; and
- (ii) pursuant to the report and in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, as amended by Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 the amount calculated by Sunderland City Council as its Council Tax Base for the year 2023/2024, shall be 73,619 and for the area of Hetton Town Council shall be 4,185.

#### 2. Local Council Tax Support Scheme

That at its meeting held on 19 January, Cabinet gave consideration to a report of the Director of Finance (copy attached) requesting that Cabinet consider, for the purposes of paragraph 5 of Schedule 1A to the Local Government Finance Act (LGFA) 1992, whether the Local Council Tax Support Scheme (LCTSS) – which is the Council's Council Tax Reduction Scheme under section 13A(2) LGFA 1992 – should be revised or replaced with another scheme for the financial year 1 April 2023 to 31 March 2024.

Accordingly, Cabinet recommended to Council that:-

- (i) no changes were made to the current LCTSS, the main features of which were set out at Appendix A, for the City of Sunderland, except as required to incorporate any regulations laid down by the Department for Levelling Up, Housing and Communities; and
- (ii) the approved LCTSS for the financial year 2023/2024 be published on the Council's website and in any additional manner determined by the Director of Finance in consultation with the Cabinet Secretary.

### 3. Independent Remuneration Panel and Members' Allowances Scheme - 2022/2023 and 2023/2024

That at its meeting to be held on 19 January, Cabinet gave consideration to a joint report of the Director of Finance and Assistant Director of Law and Governance (copy attached) to present the report and recommendations of the Independent Remuneration Panel regarding:

- a proposed amendment, and backdating of the amendment, in respect of the Members' Allowances Scheme for 2022/2023 and
- the Members' Allowances Scheme for 2023/2024,

in order for Cabinet to make appropriate recommendations to Council. The Independent Remuneration Panel had considered the allowances currently paid to Members and its report was attached as Appendix 1.

Accordingly, Cabinet recommended to Council that:-

- (i) they note the report of the Independent Remuneration Panel; and
- (ii) accept the recommendations of the Independent Remuneration Panel, other than its recommendation in respect of increasing the basic allowance, which Cabinet recommended should remain unchanged.

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

Councillor Mullen, duly seconded by Councillor Doyle, moved the following amendment to Item 3 – The Members' Allowances Scheme:-

“To reject the recommendation of the Independent Remuneration Panel to the increase of allowances set for the Chair and Vice Chair of the Planning and Highways Committee to reflect the allowances set for Chair and Vice Chair of the Licensing and Regulatory Committee and the backdating of the allowances paid with regard to the Scheme for 2022/2023”.

Upon being put to the vote the amendment was defeated with:-

30 Members voting in favour:-

Councillors	Ali	Dunn	McDonough	Vera
	Ayre	Edgeworth	Morrissey	Wood, A.
	Bewick	Gibson P. W.L	Mullen	Wood, P.
	Bond	Greener	Nicholson	
	Burnicle	Hartnack	O'Brien	
	Crosby	Haswell	Peacock	
	Curtis	Hodson	Potts	
	Donaghy	Johnston, S.	Reed	
	Doyle	Mann	Smith, G.	

And 39 members voting against:-

The Mayor (Councillor A. Smith)  
The Deputy Mayor (Councillor D. Trueman)

Councillors	Blackburn	Guy	Scanlan	Usher
	Burrell	Heron	Scott	Walker, M.
	Butler	Herron	Smith, P.	Walker, P.
	Chequer	Johnston, K.	Snowdon, D.	Warne
	Chisnall	Laws	Snowdon, D. E.	Watson, S.
	Dodds	Miller, F.	Speding	Williams
	Farthing	Miller, G.	Stewart	Wilson
	Fletcher	Mordey	Thornton	
	Foster	Price	Trueman, H.	
	Gibson, P.	Samuels	Tye	

Accordingly it was:-

**31. RESOLVED** that the report of the Cabinet be approved and adopted.

### Action taken on petitions

The Council received and noted the report below which detailed the action taken in relation to the following petition which had been presented to the Council:-

**(i) Petition asking the Council for engagement, guidance and support regarding youth provision in the ward of St Anne's**

At the meeting of the Council on 16<sup>th</sup> November 2022, Councillor Pam Mann presented a petition asking the Council for engagement, guidance and support regarding youth provision in the ward of St Anne's.

The Director of Children's Services had considered the petition and provided the following response.

Working through and with partners the Council had taken a full role in planning and executing alternative youth provision for the local community in light of the sad demise of the previous service.

As the petition alludes to, the Church own the land that the PYP building was on and as a result of the lease arrangements that were in place, the building automatically belonged to the Church. We understand that the Church had plans for the building, which they hoped were inclusive and supportive of the community and built around the needs of that community. They were also working with the Council to become an additional warm space and their vision for food for the community, along with health, wellbeing and employment support was to be commended.

The All Together Consortium worked quickly to respond to the loss of the youth provision and were now delivering sessions for young people aged 10 – 19 years from the Pennywell Community Centre. Provision was available two nights a week from the centre and once a week through detached youth provision. The Council remained fully committed to playing its part in supporting the Church, Consortium and Together for Children, to identify vulnerable young people and offer appropriate support and engagement opportunities.

Councillor Mann had been advised of the above information.

**32. RESOLVED** that the report be noted.

### **Review of Council Size and Ward Boundaries**

The Chief Executive reported that the Local Government Boundary Commission for England (the Commission) contacted the Council in July 2022 to indicate that it intended to carry out a review of the overall composition of the Council and Ward arrangements.

At its meeting in November 2022, Council considered the process to be adopted in relation to completion of the Council's submission in relation to Council size and agreed to establish a politically balanced Boundary Review Working Group of Members (the Working Group), to assist with formulation of the submission document. The Council's submission must be delivered to the Commission by 28<sup>th</sup> February 2023 and it was originally proposed that a draft document would be presented to the ordinary meeting of Council scheduled for 25<sup>th</sup> January 2023, being the last scheduled meeting prior to the submission deadline. The process of obtaining and collating relevant information had however proved to be resource intensive and it had become apparent that additional time would be required in order to prepare a properly considered and reasoned document. The report therefore recommended to Council an amendment to the process agreed at its meeting in November 2022, namely that an extraordinary meeting be convened with regard to the completion of the Council's submission in relation to Council Size. Further reports to Council in relation to Ward arrangements would be submitted in due course at the appropriate time.

It was therefore proposed that an extra-ordinary meeting of the Council be convened on Wednesday 22 February 2023 to consider and approve the final draft of the Council Size submission document before its submission to the Commission by 28 February 2023 at the latest. It was proposed that this extra-ordinary meeting of the Council be held at 3.00pm before the Council Meeting already scheduled to be held on the same day at 4.00pm.

Council was recommended to:-

- (i) Note that:
  - a. the work that had been undertaken by the Boundary Review Working Group on developing the draft Council Size proposal document; and
  - b. the timetable for the review process and the date for the submission of the Council size proposal; and

- (ii) Agree to call an Extra-ordinary meeting of the Council on 22 February 2023 at 3.00pm to consider and approve the draft Council Size proposal prior to its submission to the Commission by no later than 28 February 2023.

The Leader of the Council, Councillor G Miller, duly seconded by the Cabinet Secretary, Councillor Stewart, moved the report.

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

To delete “at 3.00pm” for the Extra-ordinary meeting of the Council to be called on 22 February 2023

Upon it being unanimously agreed that an alternative time would be arranged, it was:-

**33. RESOLVED that:-**

- (i) Council note:-
  - a. the work that had been undertaken by the Boundary Review Working Group on developing the draft Council Size proposal document; and
  - b. the timetable for the review process and the date for the submission of the Council size proposal; and
- (ii) An Extra-ordinary meeting of the Council would be called on 22 February 2023 to consider and approve the draft Council Size proposal prior to its submission to the Commission by no later than 28 February 2023.

**Special Urgency Decisions**

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

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

**Appointments to Committees and Outside Bodies**

The Assistant Director of Law and Governance submitted a report and supplementary report seeking approval to make a change in the Council’s representation to the Key Cities Board, to note and endorse the appointment of Paul Wilson as Director of Finance and Section 151 Officer and to approve changes in membership to a number of committees and an outside body which had become necessary as a result of the resignation of Councillor Donaghy from the Conservative Group.



The Leader of the Council, duly seconded by the Cabinet Secretary, moved the report and accordingly it was: -

**35. RESOLVED that the Council: -**

- (i) approve the appointment of the Leader of the Council to be the Member and the Deputy Leader of the Council to be a substitute on the Key Cities Board;
- (ii) note and endorse the appointment of Paul Wilson as Director of Finance and Section 151 Officer;
- (iii) approve the re-appointment of Councillor Donaghy to the Licensing and Regulatory Committee;
- (iv) approve the appointment of Councillor Mullen on the Appeals Panel in place of Councillor Donaghy;
- (v) approve the appointment of Councillor Mann on the Homelessness Appeals Panel in place of Councillor Donaghy; and
- (vi) approve the nomination of Councillor McDonough to replace Councillor Donaghy on the North East Transport Overview and Scrutiny Committee.

**Motions on Notice**

**(i) Environmental Impact of Council Cars**

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

“Council notes its commitment to the Conservative Group's 2019 motion declaring a climate emergency and reaffirms that commitment.

Following the cancellation of the Air Show for environmental reasons, Council resolves to take further steps towards net zero by reducing the use of Council-owned cars. Specifically:

- Within the next seven days, cease use of the Council’s chauffeur-driven cars for the Mayor and the Executive, irrespective of leasing arrangements, encouraging use of public transport and active travel instead.
- End the delivery of Council agenda and meeting packs to councillors’ home addresses and instead have them served in a digital format, as standard, unless members opt in to receive hard copies. When members do opt in, agenda and meeting packs will be deposited in members’ respective Group Rooms, not delivered to their homes.”

Upon being put to the vote the motion was defeated with 29 Members voting in favour: -

Councillors	Ali	Dunn	Mann	Reed
	Ayre	Edgeworth	McDonough	Smith, G.
	Bond	Gibson, P.W.L.	Nicholson	Vera
	Burnicle	Greener	Morrissey	Wood, A.
	Crosby	Hartnack	Mullen	Wood. P.
	Curtis	Haswell	O'Brien	
	Donaghy	Hodson	Peacock	
	Doyle	Johnston, S.	Potts	

39 Members voting against:-

The Mayor (Councillor A. Smith)  
The Deputy Mayor (Councillor D. Trueman)

Councillors	Blackburn	Guy	Scanlan	Usher
	Burrell	Heron	Scott	Walker, M.
	Butler	Herron	Smith, P.	Walker, P.
	Chequer	Johnston, K.	Snowdon, D.	Warne
	Chisnall	Laws	Snowdon, D. E.	Watson, S.
	Dodds	Miller, F.	Speding	Williams
	Farthing	Miller, G.	Stewart	Wilson
	Fletcher	Mordey	Thornton	
	Foster	Price	Trueman, H.	
	Gibson, P.	Samuels	Tye	

And 1 abstention:-

Councillor Bewick

Upon the motion being put, it was declared to be defeated and accordingly, it was:-

**36. RESOLVED** that the notice of motion be defeated.

**(ii) Replacement Wheelie Bins**

The notice of motion was withdrawn.

**(iii) Addressing Discrimination of Cared for Children**

Councillor Farthing, duly seconded by Councillor Price moved the following motion:-

“Councillors on both the Children Learning and Skills Scrutiny Committee and the Corporate Parenting Board have had drawn to their attention the discrimination that our cared for and care experienced children and young people experience on a regular basis.

The Public Sector Equality Duty requires public bodies, such as councils, to eliminate unlawful discrimination, harassment, and victimisation of people with protected characteristics.

This Council therefore resolves to recognise that

- cared for and care experienced people are a defined group who face discrimination;
- the Council has a duty to put the needs of such people at the heart of decision-making through co-production and collaboration;
- henceforth future decision, services and policies made and adopted by the Council should be assessed through Equality Impact Assessments to determine the impact of changes on people with care experience, alongside those who formally share a Protected Characteristic.
- in the delivery of the Public Sector Equality Duty the Council includes care experience in the publication and review of Equality Objectives and the annual publication of information relating to people who share a Protected Characteristic in services and employment.

And henceforth this council will

- treat Care Experience as if it were a Protected Characteristic and formally call upon all other bodies it partners or contracts with to treat care experience as a protected characteristic until such time as it may be introduced by legislation.
- proactively seek out and listen to the voices of care experienced people when developing new policies.”

Councillor P.W.L. Gibson duly seconded by Councillor Curtis, moved the following amendment:-

After the last bullet point add:

“The Council requests that the Chief Executive writes to our local Members of Parliament requesting that they :

(a) Either support or introduce legislation to amend the Equality Act (2010) to extend the list of protected characteristics to include children and young people leaving care;

(b) Support the provision of a Universal Basic Income for young people leaving care to give them a helping hand in dealing with expenses such as accommodation and subsistence. This Council notes that such a system has been introduced by the Welsh Parliament on a trial basis.”

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

Councillors on both the Children Learning and Skills Scrutiny committee and the Corporate Parenting Board have had drawn to their attention the discrimination that our cared for and care experienced children and young people experience on a regular basis.

The Public Sector Equality Duty requires public bodies, such as councils, to eliminate unlawful discrimination, harassment, and victimisation of people with protected characteristics.

This Council therefore resolves to recognise that

- cared for and care experienced people are a defined group who face discrimination;
- the Council has a duty to put the needs of such people at the heart of decision-making through co-production and collaboration;
- henceforth future decision, services and policies made and adopted by the Council should be assessed through Equality Impact Assessments to determine the impact of changes on people with care experience, alongside those who formally share a Protected Characteristic.
- in the delivery of the Public Sector Equality Duty the Council includes care experience in the publication and review of Equality Objectives and the annual publication of information relating to people who share a Protected Characteristic in services and employment.

And henceforth this council will

- treat Care Experience as if it were a Protected Characteristic and formally call upon all other bodies it partners or contracts with to treat care experience as a protected characteristic until such time as it may be introduced by legislation.
- proactively seek out and listen to the voices of care experienced people when developing new policies.
- The Council requests that the Chief Executive writes to our local Members of Parliament requesting that they :
  - (a) Either support or introduce legislation to amend the Equality Act (2010) to extend the list of protected characteristics to include children and young people leaving care;
  - (b) Support the provision of a Universal Basic Income for young people leaving care to give them a helping hand in dealing with expenses such as accommodation and subsistence. This Council notes that such a system has been introduced by the Welsh Parliament on a trial basis.

Upon being moved the amendment was declared to be carried unanimously.

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

**37. RESOLVED that:-**

Councillors on both the Children Learning and Skills Scrutiny committee and the Corporate Parenting Board have had drawn to their attention the discrimination that our cared for and care experienced children and young people experience on a regular basis.

The Public Sector Equality Duty requires public bodies, such as councils, to eliminate unlawful discrimination, harassment, and victimisation of people with protected characteristics.

This Council therefore resolves to recognise that

- cared for and care experienced people are a defined group who face discrimination;
- the Council has a duty to put the needs of such people at the heart of decision-making through co-production and collaboration;
- henceforth future decision, services and policies made and adopted by the Council should be assessed through Equality Impact Assessments to determine the impact of changes on people with care experience, alongside those who formally share a Protected Characteristic.
- in the delivery of the Public Sector Equality Duty the Council includes care experience in the publication and review of Equality Objectives and the annual publication of information relating to people who share a Protected Characteristic in services and employment.

And henceforth this council will

- treat Care Experience as if it were a Protected Characteristic and formally call upon all other bodies it partners or contracts with to treat care experience as a protected characteristic until such time as it may be introduced by legislation.
- proactively seek out and listen to the voices of care experienced people when developing new policies.
- The Council requests that the Chief Executive writes to our local Members of Parliament requesting that they :
  - (a) Either support or introduce legislation to amend the Equality Act (2010) to extend the list of protected characteristics to include children and young people leaving care;
  - (b) Support the provision of a Universal Basic Income for young people leaving care to give them a helping hand in dealing with expenses such as accommodation and subsistence. This Council notes that such a system has been introduced by the Welsh Parliament on a trial basis.

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

The Mayor then thanked everyone for their attendance and closed the meeting.

**(Signed) A. SMITH,  
Mayor.**



# ***Report of the Cabinet***





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

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

- On 13 October 2022, Scrutiny Co-ordinating Committee considered the Budget Planning Framework and Medium-Term Financial Plan 2023/2024 – 2026/2027 report which was referred from the October Cabinet meeting:

The Scrutiny Coordinating Committee acknowledges the information contained in the report including the budget planning framework and updated capital strategy. The Committee also recognises the importance of budget consultation with key stakeholders and increased engagement with the public.

As in previous years there remain a number of uncertainties, pressures and challenges around the budget that the committee will continue to monitor through future budget reports.

The Committee has no further comment at this time.

- On 8 December 2022, Scrutiny Co-ordinating Committee considered the Budget Planning Framework and Medium-Term Financial Plan 2023/2024 – 2026/2027 report which was referred from the December Cabinet meeting:

The Scrutiny Coordinating Committee acknowledges the information contained in the detailed report as well as noting a number of uncertainties that remain around funding and the local government settlement which will be resolved in due course.

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

The Committee would also recommend that consideration is given to the way we communicate with residents in the future and if a printed newsletter is needed.

The Scrutiny Coordinating Committee would also acknowledge the hard work of officers and members in the preparation of the budget and the medium-term financial plan.

The Committee will continue to monitor the budget through these reports and has no further comment to make at this time.

- On 9 February 2023, Scrutiny Co-ordinating Committee considered Budget and Service Reports on Collection Fund (Council Tax) 2022/2023, Capital Programme 2023/2024 to 2026/2027 and Treasury Management Policy and Strategy 2023/2024, including Prudential Indicators for 2023/2024 to 2026/2027 and Revenue Budget and Proposed Council Tax for 2023/2024 and Medium-term Financial Plan 2023/2024 to 2026/2027 reports which were referred from the February Cabinet meeting:

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

The Committee is pleased to note that despite the ongoing pressures for the Council and its services that we have also recognised the challenges facing our residents in setting the Council Tax for 2023/24, and therefore note the recommended Council Tax increase, which still needs to be approved by Council. The Committee also notes the proposed budget savings proposals within the reports and the budget consultation that was undertaken.

Finally, the Committee would also like to record its thanks to Officers and Members for their continued work and diligence in preparing the budgetary information presented to this Committee and other key stakeholders and has no further comments to make.

That they have also referred the proposals for Capital Programme Planning 2023/2024 – 2026/2027 to the Scrutiny Co-ordinating Committee:-

- On 8 December 2022, Scrutiny Co-ordinating Committee considered the Capital Programme Planning 2023/2024 – 2026/2027 and Capital Strategy report which was referred from the December Cabinet meeting:

The Scrutiny Coordinating Committee notes the report and the additional proposals outlined within the report. The Committee will continue to monitor the capital programme through these regular updates and has no further comment to make at this time.

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

- On 3 February 2023, the Audit and Governance Committee was consulted specifically on the Treasury Management Policy and Strategy for 2023/2024.

The Committee noted the Treasury Management Policy and Strategy for 2023/2024 and the Prudential Treasury Management Indicators for 2023/2024 to 2026/2027.

The Committee noted the Borrowing and Investment Strategies contained within the report and that the Council continued to follow and adhere to fundamental principles in relation to the prudent investment of treasury balances.

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

Subsequently;

The following precept figures have been confirmed as those set out in the report to Cabinet on 22 February 2023:

- The precept figures of the Police and Crime Commissioner Northumbria (PCCN) will mean an increase of 9.75% in the precept level for 2023/2024; and
- The precept figures of the Parish of Hetton Town Council will mean an increase of 0% in the precept level for 2023/2024.

The Tyne and Wear Fire and Rescue Authority has supplied its best estimate of their proposed precepts pending their meeting on 13 February 2023 and should any changes to the proposed precepts arise, a supplementary report would be prepared and circulated. The proposed precept figures of the Tyne and Wear Fire and Rescue Authority (TWFRA) will mean an increase of 5.72% in the precept level for 2023/2024.

The position set out at Item 3 of the report as Determination of Council Tax 2023/2024 reflects the above notified 2023/2024 precept levels in respect of the Precepting Authorities.

**NOTE:**

**In relation to the report numbered 2 below entitled “Revenue Budget and Proposed Council Tax for 2023/2024 and Medium Term Financial Plan 2023/2024 to 2026/2027”, Appendix F has not been printed with this item, but the recommendation, which includes all of the substantive content of the report, is set out in full at item 3 overleaf.**

**1. Capital Programme 2023/2024 to 2026/2027 and Treasury Management Policy and Strategy 2023/2024, including Prudential Indicators for 2023/2024 to 2026/2027**

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

- the proposed Capital Programme for 2023/2024;
- the Treasury Management Policy and Strategy for 2023/2024 (including specifically the Annual Borrowing and Investment Strategies);
- the Prudential Indicators for 2023/2024 to 2026/2027; and
- the Minimum Revenue Provision Statement for 2023/2024.

Accordingly, the Cabinet recommends the Council to approve: -

- (i) the proposed Capital Programme for 2023/2024;
- (ii) the Treasury Management Policy and Strategy for 2023/2024 (including specifically the Annual Borrowing and Investment Strategies);

- (iii) the Prudential Indicators for 2023/2024 to 2026/2027; and
- (iv) the Minimum Revenue Provision Statement for 2023/2024.

## **2. Revenue Budget and Proposed Council Tax for 2023/2024 and Medium Term Financial Plan 2023/2024 to 2026/2027**

That they have considered the report of the Director of Finance which is at the following link [[Cabinet 2 February 2023](#)] on:

- (a) the overall revenue budget position for 2023/2024;
- (b) the projected reserves position as at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2024 and advise on their sufficiency;
- (c) a risk analysis of the Revenue Budget 2023/2024;
- (d) a summary of the emerging medium term financial position facing the Council from 2023/2024 to 2026/2027, and associated Council Efficiency strategy;
- (e) any views received from residents, the local Business Sector, Trade Unions, Schools Forum, Change Council and Scrutiny Coordinating Committee on the proposed budget; and
- (f) the updated City Plan 2023-35 including the indicative timeline.

The attached report of the Director of Finance to Council sets out the proposed Revenue Budget and Council Tax for 2023/2024 and Medium Term Financial Plan 2023/2024 to 2026/2027 as recommended by Cabinet.

Accordingly, the Cabinet recommends the Council to approve: -

- (i) the proposals set out in the report including the proposed Revenue Budget for 2023/2024 set out at Appendix J;
- (ii) the Medium Term Financial Plan 2023/2024 to 2026/2027 including Efficiency Strategy as set out in Appendix G and the potential use of Capital Receipts Flexibility set out at section 9 of the report; and
- (iii) the adoption of the updated City Plan 2023-35 including the indicative timeline.

### 3. Determination of Council Tax 2023/2024

That they have given consideration to a report of the Director of Finance making, subject to the approval of the Revenue Budget 2023/2024 (as set out at item 2 above), recommendations with respect to Council Tax levels for 2023/2024, and advising that the Council Tax is calculated using the tax bases for the areas of the City Council and Hetton Town Council as approved by Council on 25 January 2023, and setting out a number of resolutions required to be made to determine the Council Tax, including the confirmed precepts from the Major Precepting Authorities and Hetton Town Council.

They therefore recommend to Council: -

- (i) to confirm the council tax requirement for the Council for 2023/2024 for its own purposes is £120,523,138 (excluding Parish precepts) and which represents a 2.99% increase in council tax for 2023/2024. It should be noted that this includes the additional ringfenced social care precept of 1%.
- (ii) it be noted that at its meeting on 25<sup>th</sup> January 2023 the Council approved the following amounts for the year 2023/2024 in accordance with the amended regulations made under Section 31B(3) of the Local Government Finance Act 1992 (the 'Act'):
  - a) 73,619 being the amount calculated by the Council, in accordance with the above regulation of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 as amended by Local Authorities (Calculation of Tax Base) (England) Regulations 2012, as its council tax base for the year (Item T).
  - b) 4,185 being the amount calculated by the Council, in accordance with the regulations, as the amount of its council tax base for the year for dwellings in the area of the Parish of Hetton Town Council.
- (iii) That the following amounts be calculated by the Council for the year 2023/2024 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended:
  - a) £759,716,307 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act taking into account all precepts issued to it by Parish Councils.
  - b) £639,132,654 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.

- c) £120,583,653 being the amount by which the aggregate at (a) above exceeds the aggregate at (iii) (b) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax Requirement for the year including Parish precepts (Item R in the formula in Section 31A(4) of the Act).
- d) £1,637.9420 being the amount at (iii) (c) above (Item R) all divided by Item T ((ii) (a) above), calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- e) £60,515 being the precept notified by Hetton Town Council as a special item under Section 34 of the Act.
- f) £1,637.1200 being the amount at (iii) (d) above less the result given by dividing the amount at (iii) (e) above by the Item T ((ii) (a) above), calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
- g) £1,651.5800 being the amount given by adding to the amount at (iii) (f) above, the amount at (iii) (e) divided by the amount at (ii) (b) above, calculated by the Council in accordance with Section 34 (3) of the Act as the basic amounts of its Council Tax for the year for dwellings in the area of the Parish of Hetton Town Council.
- h) Charges relating to the Council

<b>Valuation Band</b>	<b>Hetton Town Council £</b>	<b>All other parts of the Council's area £</b>
A	1,101.05	1,091.41
B	1,284.56	1,273.31
C	1,468.07	1,455.21
D	1,651.58	1,637.12
E	2,018.60	2,000.93
F	2,385.62	2,364.73
G	2,752.63	2,728.53
H	3,303.16	3,274.24

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

- (iv) it be noted that for the year 2023/2024, Tyne and Wear Fire and Rescue Authority and the Police and Crime Commissioner for Northumbria have confirmed the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings as follows:

<b>Valuation Band</b>	<b>Police and Crime Commissioner for Northumbria £</b>	<b>Tyne and Wear Fire and Rescue Authority £</b>
A	112.56	61.57
B	131.32	71.83
C	150.08	82.09
D	168.84	92.35
E	206.36	112.87
F	243.88	133.39
G	281.40	153.92
H	337.68	184.70

- (v) having calculated the aggregate in each case of the amounts at (iii) (h) and (iv) above and having received confirmation of the precept in paragraph (iv), the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2023/2024 for each of the categories of dwellings shown below.

<b>Valuation Band</b>	<b>Hetton Town Council £</b>	<b>All other parts of the Council's area £</b>
A	1,275.18	1,265.54
B	1,487.71	1,476.46
C	1,700.24	1,687.38
D	1,912.77	1,898.31
E	2,337.83	2,320.16
F	2,762.89	2,742.00
G	3,187.95	3,163.85
H	3,825.54	3,796.62

- (vi) To determine that under Section 52ZB of the Local Government Finance Act 1992, the Authority's relevant basic amount of Council Tax for 2023/2024 is not excessive in accordance with the principles determined under Section 52ZC(1) of the Act.

(i.e. the proposed council tax increase for 2023/2024 means that the Council does not need to hold a referendum on its proposed council tax. The provisions set out in Section 52ZC of the Local Government Finance Act 1992 require all billing authorities (councils and precept authorities (i.e. Fire and Police authorities)) to hold a referendum on their proposed level of basic council tax each year if they exceed government guidelines set out annually.)



**CABINET – 2 FEBRUARY 2023**

**CAPITAL PROGRAMME 2023/2024 TO 2026/2027 AND TREASURY MANAGEMENT POLICY AND STRATEGY 2023/2024, INCLUDING PRUDENTIAL INDICATORS FOR 2023/2024 TO 2026/2027.**

**Director of Finance**

**1. Purpose of the Report**

- 1.1 To update Cabinet on the level of capital resources and commitments for the forthcoming financial year and seek a recommendation to Council to the overall Capital Programme 2023/2024 to 2026/2027 and the Treasury Management Policy and Strategy (including both borrowing and investment strategies) for 2023/2024, to approve the Prudential Indicators for 2023/2024 to 2026/2027 and the Minimum Revenue Provision Statement for 2023/2024.

**2. Description of Decision**

- 2.1 Cabinet is requested to recommend to Council approval of:
- i. the proposed Capital Programme for 2023/2024;
  - ii. the Treasury Management Policy and Strategy for 2023/2024 (including specifically the Annual Borrowing and Treasury Investment Strategies);
  - iii. the Prudential Indicators for 2023/2024 to 2026/2027; and
  - iv. the Minimum Revenue Provision Statement for 2023/2024.

**3. Background**

- 3.1 The Council currently has an ambitious approved Capital Programme, with over £688m spend profiled over the period 2022/2023 to 2026/2027 linked to the City Plan priorities (see Appendix 1).
- 3.2 On 13th October 2022 Cabinet approved an updated Capital Strategy. On 8<sup>th</sup> December 2022 Cabinet approved a suite of new start capital proposals commencing from 2023/2024 which had been developed in accordance with the updated Capital Strategy and City Plan. The delivery of the City Plan will drive transformation and economic regeneration in the City.

**4. Capital Programme 2023/2024 to 2026/2027**

- 4.1 The proposed Capital Programme for 2023/2024 to 2026/2027 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 £521.090m, with £268.401m programmed in 2023/2024, as set out below:

Expenditure by Portfolio	Estimated Payments				
	2023/2024 £'m	2024/2025 £'m	2025/2026 £'m	2026/2027 £'m	Total £'m
Deputy Leader & Clean Green City	57.710	24.082	13.284	1.960	97.036
Cabinet Secretary	10.200	10.607	11.337	4.053	36.197
Children's Learning and Skills	8.400	5.157	4.066	0.000	17.623
Dynamic City	166.427	69.390	68.902	14.474	319.193
Healthy City	7.728	0.550	0.250	0.000	8.528
Vibrant City	17.936	17.700	4.306	2.571	42.513
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>268.401</b>	<b>127.486</b>	<b>102.145</b>	<b>23.058</b>	<b>521.090</b>

4.3 In 2022/2023, the Council committed resources towards a Capital Programme spanning 2022/2023 to 2025/2026, which included schemes that were reliant upon securing external funding. Therefore, the proposed 2023/2024 to 2026/2027 programme reflects:

- ongoing capital scheme commitments from previous years of £466.603m (£246.853m in 2023/2024) as set out in Appendix 1;
- new starts / additional investment of £54.487m (£21.548m in 2023/2024) summarised at section 4.6 with further detail set out in Appendix 2.

The details of the full Capital Programme for 2023/2024 to 2026/2027 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 2023/2024 to 2026/2027 – Capital Strategy

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

4.4.2 The Capital Strategy is updated annually for approval by Council, with the latest revision approved by Council in November 2022.

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

- Sunderland will be a **dynamic smart city**. This includes a lower carbon city with greater digital connectivity for all; more and better jobs; more people with better qualifications and skills; a stronger city centre with more businesses, housing and cultural opportunities; and more and better housing;
- Sunderland will be a **healthy smart city**. This includes reduced health inequalities enabling more people to live healthier longer lives; access to equitable opportunities and life chances; people enjoying independent lives; great transport links with low carbon and active travel opportunities for all; and a cleaner and more attractive city and neighbourhood; and

- Sunderland will be a **vibrant smart city**. This includes more resilient people; more people feeling safe in their homes and neighbourhoods; more residents participating in their communities; and more people visiting Sunderland and more residents informing and participating in cultural events, programmes and activities.

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

## 4.5 Resources Available for New Starts / Additional Investments

### 4.5.1 Resources - Grants

The Council continues to monitor and maximise external funding opportunities to support city priorities across a range of key areas encompassing economic development, housing and strategic infrastructure, community support and regeneration, education and skills, low carbon, smart city and digital connectivity, health and well-being, and culture and heritage. These key areas of activity directly support delivery of the City Plan's three themes: dynamic smart city; healthy smart city; and vibrant smart city.

Significant investment has been secured over the last 5-6 years from government and regional funds to support major infrastructure priorities, including Riverside Sunderland, the International Advanced Manufacturing Park, Sunderland Strategic Transport Corridor, the Port of Sunderland Enterprise Zone, and a range of other strategic, housing and digital infrastructure projects.

With North East Local Enterprise Partnership and European funding programmes either fully committed or ending in 2023/2024, the Council continues to track and respond to funding opportunities linked to the Government's Levelling Up objectives alongside a wide range of other funding sources.

Recent substantial external funding approvals have also been secured for the following regeneration projects, all of which are currently in delivery:

- £25.4m support from the Housing Infrastructure Fund for the South Sunderland Growth Area project;
- £21.6m Transforming Cities Fund support for the redevelopment of Central Station and other priority transport investments;
- £25m Future High Streets Fund grant for a city centre transformation programme involving the delivery of Culture House and other key sites;
- £7m Getting Building Fund grant to support digital and strategic infrastructure in the city centre and riverside areas, and for investment in additional energy infrastructure on the Hillthorn Business Park site in Washington;
- £15m from the Department for Business, Energy and Industrial Strategy to support the development of a strategic energy grid on the International Advanced Manufacturing Park;
- £20m Levelling Up Fund (round 1) grant to support the City Centre Housing Ecosystem project, which comprises the construction of the Housing Innovation and Construction Skills Academy, and support for the development of two sustainable housing developments in Riverside Sunderland and Sunnyside; and

- £2.1m from Homes England's Home of 2030 programme to support smart and sustainable housing on the Vaux Neighbourhood site within Riverside Sunderland.

A wide range of capital funds have also been secured to support projects which support delivery of the city's low carbon objectives, such as:

- £2.2m from the Public Sector Decarbonisation Scheme to invest in public sector building energy efficiency measures;
- £5.2m European Regional Development Fund grant to support the Vaux Housing Smart Energy Grid, as well as extensive investment in battery storage, solar PV and electric vehicle charging infrastructure on a range of council sites;
- £3.9m secured to support energy efficiency improvements in the worst performing, fuel poor housing in the city; and
- £2.2m from the Green Heat Network Fund to support feasibility and development of a city centre heat network.

In early December 2022, the Council received confirmation from the Government that Sunderland's £15m UK Shared Prosperity Fund Investment Plan had been approved. The £15m programme comprises approximately £12m revenue grant and £3m capital, with delivery of activities to take place from 2022/2023 to the end of March 2025. The programme will support a wide range of project activities under 3 main investment priorities: (1) Communities and Place; (2) Supporting Local Business; (3) People and Skills.

Following the announcement on 28 December 2022 that the Government and North East local authorities are minded to agree a devolution deal, it is anticipated that additional funding opportunities for capital investment will be unlocked including control of a long-term regional investment fund and a city region sustainable transport settlement. Additional funding will also be identified to support the building of new homes on brownfield land and to drive place-based economic regeneration.

The Council and its partners continue to access and explore new opportunities to invest in the city's cultural and heritage offer, while also improving and enhancing access to recreation facilities and natural green spaces across the city. This involves pursuing other sources of funding, such as the National Lottery Heritage Fund, Historic England, National Lottery Community Fund, Arts Council England, Sport England, Football Foundation and other major funders.

The Council works closely with Sunderland Culture. The Council will be undertaking important feasibility and design work during the next 1-2 years to redevelop the Sunderland Museum and Winter Gardens. A development grant award of £0.3m from the National Lottery Heritage Fund has recently been secured allowing work to proceed on the preparation of a full design and bid proposal which will be submitted in 2024.

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

The table below details Government grants announced for 2023/2024 onwards for Transport, Adult Social Care and Schools not yet in the current approved Capital Programme, with comparator allocations for 2022/2023.

Funding Source	2022/2023	2023/2024	2024/2025
	£'000	£'000	£'000
Highways Capital Maintenance	1,835	1,835	1,835
Highways Capital Maintenance - Incentive Funding	459	459	459
Pot Hole & Challenge Fund	1,835	1,835	1,835
Highways Integrated Transport	1,618	1,618 *	1,618
Nexus Allocation	42	42 *	42
<b>Total Transport</b>	<b>5,789</b>	<b>5,789</b>	<b>5,789</b>
Disabled Facilities Grant	4,055	4,055 *	tbc
<b>Total Adult Social Care</b>	<b>4,055</b>	<b>4,055</b>	<b>tbc</b>
Schools Condition Allocation	1,514	1,514 *	tbc
Education Basic Need	0	0	0
Schools Devolved Funding	935 #	tbc	tbc
High Needs Capacity Funding	2,847	2,488	tbc
<b>Total Department for Education</b>	<b>5,296</b>	<b>4,002</b>	<b>0</b>

\* Provisional

# Confirmed increase of £633,000 not yet in the current programme - to be profiled for use in 2023/2024.

Appendix 2 sections 2 to 4 sets out further details and proposed use of the above funding for 2023/2024.

#### 4.5.2 Resources – Capital Receipts and Reserves

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

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

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

Elsewhere on the agenda, the Revenue Budget and Proposed Council Tax report for 2023/2024 sets out the Council's Efficiency Strategy for the period 2023/2024 to 2026/2027. In accordance with Government guidance on the availability of flexibility around the use of capital receipts for transformation purposes, the Efficiency Strategy includes the option to use capital receipts to support transformation costs arising from implementing the Council's savings programme.

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

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

#### 4.5.4 Resources – Borrowing

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

The budget includes prudent provision for capital financing charges that may arise from an additional net £41.781m of prudential borrowing (£8.842m in 2023/2024 and £32.939m from 2024/2025 to 2026/2027). It is proposed to use this borrowing flexibly by switching with surplus capital receipts once realised and through using temporary cash balances. This would reduce planned capital finance charges that may arise from this borrowing.

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

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

### **4.6 Detailed Proposals for New Starts and Capital Programme 2023/2024 to 2026/2027**

4.6.1 Following consultation with Portfolio Holders and approval by Cabinet in December 2022, the projects in the table below are included in the Capital Programme for 2023/2024 to 2026/2027 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 2023/24	Spend Future Years	External Funding	Council Funding
		£m	£m	£m	£m	£m
<b>Deputy Leader and Clean Green City</b>						
1.1.1	Vehicle, Plant and Equipment Replacement Programme	16.056	3.842	12.214	0.000	16.056
1.1.2	Nobles Quay Replacement	3.000	2.600	0.400	0.000	3.000
1.1.3	Port Infrastructure	1.300	0.400	0.900	0.000	1.300
<b>Total</b>		<b>20.356</b>	<b>6.842</b>	<b>13.514</b>	<b>0.000</b>	<b>20.356</b>
<b>Cabinet Secretary</b>						
1.2.1	Planned Property Capital Maintenance	7.500	0.000	7.500	0.000	7.500
1.2.2	End User Devices	0.465	0.000	0.465	0.000	0.465
1.2.3	NetBackup Appliance Refresh	0.460	0.000	0.460	0.000	0.460
<b>Total</b>		<b>8.425</b>	<b>0.000</b>	<b>8.425</b>	<b>0.000</b>	<b>8.425</b>
<b>Dynamic City</b>						
1.3.1	Highways Asset Investment Programme	8.000	1.000	7.000	0.000	8.000
1.3.2	Bridge Maintenance Investment Programme	5.000	1.000	4.000	0.000	5.000
<b>Total</b>		<b>13.000</b>	<b>2.000</b>	<b>11.000</b>	<b>0.000</b>	<b>13.000</b>
<b>Service New Grant Allocations</b>						
2.0	Transport (Highways) Schemes	5.039	5.039	0.000	5.039	0.000
3.0	Adult Social Care - Disabled Facilities Grant Allocation (including £0.1m Gentoo contribution)	4.155	4.155	0.000	4.155	0.000
4.0	Education	3.512	3.512	0.000	3.512	0.000
<b>Total</b>		<b>12.706</b>	<b>12.706</b>	<b>0.000</b>	<b>12.706</b>	<b>0.000</b>
<b>TOTAL OF INVESTMENT PROPOSALS</b>		<b>54.487</b>	<b>21.548</b>	<b>32.939</b>	<b>12.706</b>	<b>41.781</b>

- 4.6.3 The proposed additional new starts investment totals £54.487m, (£21.548m in 2023/2024 and £32.939m in future years). Of the total £54.487m:
- £12.706m is externally funded; and
  - The remaining balance of £41.781m is to be met from available Council resources via prudential borrowing.
- 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 2022 for inclusion in this Capital Programme report. The Scrutiny Coordinating Committee on 8<sup>th</sup> December 2022 acknowledged the Capital Programme and is satisfied with the proposed variations to the Capital Programme.
- 5. Prudential Framework and Code**
- 5.1 One of the principal features of the Local Government Act 2003 is to provide the primary legislative framework to introduce a prudential regime for the control of Local Authority capital expenditure. The regime relies upon both secondary legislation in the form of regulations, and a prudential code issued and maintained by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Prudential Code was first reported to Council in March 2004 and the latest version was issued by CIPFA in December 2021.

- 5.2 Under the prudential framework local authorities are free to borrow without specific government consent if they can afford to service the debt without extra government support, not just for the current year but also for future years. The basic principle is that authorities are free to invest as long as their capital spending plans are affordable, sustainable and prudent. This allows the Council the freedom to manage and control its Capital Programme and how it is financed. The key elements of control and management of capital finance are through:
- Capital expenditure plans – the Council's Capital Programme;
  - External debt - how the Council proposes to fund its Capital Programme; and
  - Treasury management – the management of the Council's investments, cash flows, banking, money market and capital market transactions, the effective control of risks associated with those activities and the pursuit of optimum performance consistent with those risks.
- 5.3 To demonstrate that the Council takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, the Council has in place a Capital Strategy that sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. The Capital Strategy was reported to Cabinet in October 2022 and subsequently approved by Council in November 2022. The Capital Strategy forms a part of the Council's integrated revenue, capital and balance sheet planning.
- 5.4 All authorities must follow the latest Prudential Code published by CIPFA. This involves setting various prudential limits and indicators that must be approved by the Council before the start of the relevant financial year as part of their budget setting process. The prudential and treasury management indicators have been prepared for the financial year 2023/2024, taking into account all matters specified in the Prudential Code. Regular monitoring takes place during the year and reports are made to Cabinet to show the Council's performance and compliance with these indicators as part of the quarterly capital review reports as appropriate.
- 5.5 All of the indicators together with background information to these indicators and what they are seeking to assess, are detailed in Appendix 4 in full compliance with the Code.
- 5.6 Regulations came into force on 31<sup>st</sup> March 2008 which requires local authorities to repay an element of its capital financing requirement each year through a revenue charge known as the Minimum Revenue Provision (MRP). Local authorities have a statutory requirement to make a prudent level of provision and to have regard to Department for Levelling Up, Housing and Communities' (DLUHC) guidance when assessing its MRP. DLUHC revised their MRP guidance in February 2018 and this guidance has been considered when setting the MRP policy for 2023/2024. The Council must set, each year, an amount of MRP it considers prudent. It is also recommended that an annual statement of its policy on making a MRP in respect of the following financial year is submitted to full Council for approval. Consultation on the proposed MRP was completed in 2022/2023, DLUHC are currently considering outcomes/next steps.



5.7 Local authorities have significant discretion in determining the level of MRP which they consider to be prudent. The Council's MRP policy was reviewed as part of the budget setting process for 2017/2018 where it was determined that had the annuity basis used to calculate MRP, that was introduced from 2015/2016, been adopted from 1<sup>st</sup> April 2008 (being the date when regulations came into force) around £43.5m less MRP would have been charged between 1<sup>st</sup> April 2008 and 31<sup>st</sup> March 2016. Council approved that the £43.5m overprovision of MRP in previous years be used to reduce MRP for 20 years from 2016/2017 by a fixed amount of £2.176m each year until 2036/2037. Phasing over 20 years is the time period that the Government specify for expenditure to be treated as capital expenditure by virtue of direction under section 16(2)(b) of the 2003 Act. This is considered prudent, as taking previous overpayments over this longer period slows the increase to the Council's capital financing requirement, and therefore interest charges, whilst still giving additional certainty to the Council's debt charges budget. The proposal assisted the Council in addressing the impact of funding reductions as described in the Council's MTFP at that time.

5.8 It is proposed the Council continue the MRP policy used in 2022/2023 and the recommended Minimum Revenue Provision Statement for 2023/2024 is set out in Appendix 5.

## 6. Treasury Management

### 6.1 General

Treasury Management is defined as “the management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

### 6.2 Statutory requirements

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

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

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

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

This investment guidance focused particularly on non-treasury commercial investments reported within the Commercial Activity – Investment Strategy section of the Capital Strategy presented to Cabinet in October 2022, rather than in the Treasury Management Strategy. Ensuring the separation of the core treasury function where investments are made under security, liquidity and yield principles, and non-treasury commercial and strategic investments.

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

### 6.3 CIPFA Code of Practice requirements

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

The primary requirements of the Code include that:

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

The content of the Treasury Management Policy Statement is detailed in Appendix 6 and the TMPs follow the recommendations contained in Sections 6 and 7 of the Code, subject only to minor variations where necessary to reflect the circumstances of the Council and these do not result in the Council materially deviating from the Code's key principles.

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

## **6.4 Treasury Management Strategy Statement for 2023/2024**

- 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 2023/2024.
- 6.4.2 There are no major changes proposed to the overall Treasury Management Strategy in 2023/2024, 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 2023/2024 is set out in Appendix 7 and has been informed by market data, market information and leading market forecasts and views provided by the Council's treasury adviser, Link Asset Services.
- 6.4.4 The Council's TMPs are subject to regular review to ensure compliance to the agreed treasury management strategy and that the strategy adapts to changing financial markets as appropriate. The Council's performance for 2022/2023 using the prudent treasury management strategy adopted shows that the current average rate of borrowing at 2.54% is low in comparison with other local authorities whilst the current rate earned on investments at 2.07% is higher than the benchmark rate of 1.74%. Market conditions are under constant review so that the Council can take a view on the optimum time to carry out further borrowing or debt rescheduling.

## **7. Reasons for Decision**

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

## **8. Alternative Options**

- 8.1 No alternative options are proposed.

## **9. Impact Analysis**

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

## **10. List of Appendices**

- 10.1 Appendix 1 - Capital Commitments into 2023/2024  
Appendix 2 - Capital Programme 2023/2024 New Starts / Additional Investments  
Appendix 3 - Capital Programme 2022/2023 to 2026/2027  
Appendix 4 - Prudential and Treasury indicators 2023/2024 to 2026/2027  
Appendix 5 - Minimum Revenue Provision Policy Statement 2023/2024  
Appendix 6 - Treasury Management Policy Statement  
Appendix 7 - Treasury Management Strategy Statement for 2023/2024

## **11. Background Papers**

Cabinet Report – 8<sup>th</sup> December 2022 - Budget Planning Framework and Medium Term Financial Plan 2023/2024 – 2026/2027

Cabinet Report – 13<sup>th</sup> October 2022 - Budget Planning Framework and Medium Term Financial Plan 2023/2024 – 2026/2027.

## Current Approved Capital Programme Commitments from 2023/2024 to 2026/2027

Project	Existing Capital Programme		
	2023/2024 £m	2024/2025 to 2026/2027 £m	TOTAL £m
City of Sunderland Arena	10.850	70.740	81.590
Housing Delivery Investment Plan	9.980	29.934	39.914
Sunderland Eye Infirmary	20.192	14.808	35.000
Vaux Housing	31.752	2.488	34.240
Riverside Sunderland Infrastructure	27.031	5.239	32.270
Sunniside Regeneration (Nile & Villiers Street)	9.447	13.550	22.997
Culture House	15.000	7.500	22.500
Northern Spire Park	3.250	17.222	20.472
International Advanced Manufacturing Park (IAMP)	13.837	2.778	16.615
Strategic Acquisitions and Developments	15.639	0.000	15.639
Sunderland Central Station Redevelopment & Car Park	13.164	0.000	13.164
HICSA (Housing Innovation Construction & Skills Academy)	11.467	0.000	11.467
Sunderland Museum & Winter Gardens Redevelopment	0.418	10.006	10.424
Thorney Close Primary School - new build	0.500	8.723	9.223
Coastal Defence - Strategic Frontage 3	3.000	4.439	7.439
Sunderland Crematorium	0.150	7.278	7.428
Inspiring Futures Programme - Delivering a new approach to Homelessness Services and Accommodation	6.532	0.000	6.532
Replacement Coalfields Depot and Provision of a Salt Barn	0.500	5.953	6.453
Housing Other Sites	3.637	2.515	6.152
Smart Cities Project	2.900	2.752	5.652
Washington F Pit Heritage Visitor Centre and Albany Park Improvements	0.283	4.300	4.583
Tree Management Programme (formally - Improvement to Parks and Open Spaces)	1.500	2.500	4.000
Planned Property Capital Maintenance	3.349	0.000	3.349
Holmeside Bus Rationalisation and Priority Measures	3.044	0.000	3.044
Football Hubs Sinking Fund	0.000	2.571	2.571
A183 Dame Dorothy St. Two-Way Cycle Lane	2.560	0.000	2.560
Seaton Lane Junction Imps – Durham CC	2.524	0.000	2.524
Scheme Feasibility & Design	1.674	0.803	2.477
Day Centre Refurbishment	2.470	0.000	2.470
Fulwell Junior School Refurbishment	1.845	0.500	2.345
Investment Corridors	2.284	0.000	2.284
A183 Whitburn Road Two-Way Cycle Lane	1.732	0.000	1.732
Smart Cities - Replacement of End User Devices	0.493	1.204	1.697
Hetton Downs Development Phase 2	1.676	0.000	1.676
Provision for Economic Development	1.505	0.000	1.505
Strategic Cycle Network	1.483	0.000	1.483
Energy Masterplan & Feasibility Assessment (DECC)	1.411	0.000	1.411
Port Warehousing Developments	1.349	0.000	1.349
Elemore Green Space and Social Enterprise Development	1.204	0.000	1.204
Modernising Libraries (Washington and Houghton Libraries)	1.050	0.000	1.050
Other Projects (<£1m)	14.171	1.947	16.118
<b>TOTAL CURRENT PROGRAMME</b>	<b>246.853</b>	<b>219.750</b>	<b>466.603</b>

## Capital Programme 2023/2024 to 2026/2027 – New Starts / Additional Investments

### 1. Other Capital New Start / Additional Investment Proposals 2023/2024 to 2026/2027

The following projects are proposed for inclusion in the 2023/2024 to 2026/2027 Capital Programme.

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

##### 1.1.1 Vehicle, Plant and Equipment Replacement Programme - £16.056m

A series of investments to deliver replacements of vehicles, plant and equipment i.e. vans, trucks, cars, refuse collection vehicles, snow ploughs, gritters / sweepers, grasscutters & attachments and various plant and equipment. Where replacements are for existing leased vehicles, there will be a revenue budget saving which will be factored into the Medium Term Financial Plan.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment provides city wide customer service delivery benefits and will contribute to the following strategic priorities.

- Dynamic Smart City: a stronger city centre with more business, housing and cultural opportunities
- Dynamic Smart City: a lower carbon city with greater digital connectivity for all
- Healthy Smart City: a cleaner and more attractive city and neighbourhood
- Vibrant Smart City: more people feeling safe in their homes and neighbourhoods.

##### 1.1.2 Nobles Quay Replacement - £3.000m

Reconstruction of Nobles Quay which is in need of repair.

Nobles Quay is one of the quays located on the south side of the river in the east end of the city and is one of the oldest quays remaining in the city dating back to early 1800's. The current stone wall quay is in poor condition and emergency works have recently been carried out to prevent the quay from collapsing ahead of a permanent solution being implemented.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

Whilst directly benefitting residents in East Sunderland, it is envisaged that the quay will support the city-wide population.

- Dynamic Smart City: more and better jobs
- Dynamic Smart City: a stronger city centre with more business, housing and cultural opportunities
- Healthy Smart City: a cleaner and more attractive city and neighbourhood
- Healthy Smart City: great transport links with low carbon and active travel opportunities for all
- Vibrant Smart City: more residents participating in their communities.

### **1.1.3 Port Infrastructure - £1.300m**

The investment will support the undertaking of minor infrastructure works on the Port estate. The acquisition of plant and machinery will support the efficiency of the Port's operations and provide for a safe and secure environment for Port employees, tenants and users from 2023/2024 through to 2026/2027. The funding would also deliver essential repair work to the eastern end of the Corporation Quay as well as feasibility work into works on the Sheers Quay to determine the scope and costs associated with any development.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

The investment will safeguard the port business activity and provide continued support for the city wide economy, and will contribute to the following strategic priorities.

- Dynamic Smart City: more and better jobs
- Dynamic Smart City: a lower carbon city with greater digital connectivity for all

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

### **1.2.1 Planned Property Capital Maintenance - £7.500m**

Various construction, mechanical and electrical services projects and works required to maintain and improve the Council's property assets portfolio (in accordance with the Council's Asset Management Plan) from 2023/2024 through to 2026/2027. Works will be identified, primarily from asset condition data, and prioritised based on urgency and within available resources.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

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

- Dynamic Smart City: a lower carbon city with greater digital connectivity for all
- Healthy Smart City: reduce health inequalities enabling more people to live healthier longer lives
- Healthy Smart City: access to equitable opportunities and life chances
- Healthy Smart City: people enjoying independent lives
- Healthy Smart City: a cleaner and more attractive city and neighbourhood.

### **1.2.2 End User Devices – £0.465m**

Ongoing replacement of ICT end user devices (laptops, desktop PC's and mobile phones) to ensure the continued, up-to-date and secure use of ICT services.

Area Outcomes / Benefits and Contribution to Strategic Priorities:

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.

### **1.2.3 NetBackup Appliance Refresh - £0.460m**

The NetBackup Appliances which protect our on-premise server estate become end of life in 2025. To continue to secure the integrity of the server estate and the applications and data held the appliances must be replaced.

Area Outcomes / Benefits and Contribution to Strategic Priorities:  
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 Dynamic City New Start Proposals**

#### **1.3.1 Highways Asset Investment Programme - £8.000m**

Government grants are provided for capital investment into the highways network via the annual maintenance grant and ad-hoc pot-hole funding, and there is revenue provision for minor repair works. However, in order to improve the condition of the Council's highway assets, including roads, footways and traffic signals and reduce the backlog further, additional Council investment is proposed from 2023/2024 through to 2026/2027.

Area Outcomes / Benefits and Contribution to Strategic Priority:

A well-maintained highway network is key to facilitating economic growth and will contribute to the following strategic priorities:

- Dynamic Smart City: a stronger city centre with more business, housing and cultural opportunities
- Dynamic Smart City: a lower carbon city with greater digital connectivity for all
- Healthy Smart City: great transport links with low carbon and active travel opportunities for all
- Vibrant Smart City: more people visiting Sunderland and more residents informing and participating in cultural events, programmes and activities.

#### **1.3.2 Bridge Maintenance Investment Programme - £5.000m**

Government grants are provided for investment into the capital maintenance of bridges via the annual maintenance grant, and there is revenue provision for minor repair works. However, in order to improve the condition of the Council's bridges and structures, additional Council investment is proposed from 2023/2024 through to 2026/2027.

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.



## 2.0 Highways Capital Funding 2023/2024

### 2.1 Highways Maintenance & Local Transport Plan Allocations

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

On 28<sup>th</sup> December 2022, the Department for Levelling Up, Housing and Communities offered a minded to devolution deal which would unlock billions of pounds of investment and see additional powers transferred from Whitehall to a new combined authority consisting of the 5 Tyne & Wear Authorities, as well as County Durham and Northumberland. Subject to the relevant approvals, the deal would provide £4.2bn of funding over 30 years to the Mayoral Combined Authority, including £0.9bn for transport inclusive of the above CRSTF. It is expected a Mayoral election would take place in 2024 and a new Mayoral Combined Authority formed. Until such time, the allocations for Highways Maintenance and Integrated Transport continue to be provided through the current funding channels and being as announced in the Spending Review October 2021 for the years 2022/2023 to 2024/2025.

### 2.2 Active Travel Fund

The Council secured revised total allocations of £4.392m Active Travel Fund for use in 2022/2023 and 2023/2024, distributed via the North East Combined Authority, for cycleways at A183 Whitburn Rd and A183 Dame Dorothy Street.

### 2.3 Funding Allocations

The table below details the Highways Capital Funding announced for 2022/2023 to 2024/2025, excluding Active Travel Fund already in the current Capital Programme.

Funding Source		2022/2023 £'000	2023/2024 £'000	2024/2025 £'000
City Region Sustainable Transport Fund	Highways Capital Maintenance	1,835	1,835	1,835
	Highways Capital Maintenance – Incentive Funding	459	459	459
	Pot Hole & Challenge Fund	1,835	1,835	1,835
	Highways Integrated Transport	1,618	1,618	1,618
	Nexus Allocation	42	42	42
<b>Total Transport</b>		<b>5,789</b>	<b>5,789</b>	<b>5,789</b>

The total funding for transport schemes for 2023/2024 from new grants is £5.789m.

### 2.4 Proposals for Highways Capital Programme New Starts 2023/2024

The proposed Capital Programme for 2023/2024 excluding match funding for the ongoing commitment in relation to the Holmeside Bus Rationalisation project of £0.750m will leave **£5.039m** to support the following priorities:

- The structural maintenance of highways – £3.547m (including £0.109m contribution to fund the regional Urgent Traffic Management Control services);
- The structural maintenance of bridges – £0.382m;
- Economic development and regeneration by managing congestion; support safe and sustainable communities by improving Road Safety and, improving access; address climate change by promoting sustainable travel - £1.068m (including £0.063m contribution to fund the regional transport team);
- Public transport infrastructure improvements, Nexus funded - £0.042m.

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

### 3.0 Adult Social Care Capital 2023/2024

- 3.1 The Disabled Facilities Grant allocation for 2023/2024 as not yet been announced. However, a provisional allocation for this year is to be included in the Capital Programme based on 2022/2023 allocation of £4.055m Disabled Facilities Grant, supplemented by £0.100m from Gentoo, providing **£4.155m** for Disabled Facilities Grants.

Upon confirmation of the 2023/2024 allocation, the Capital Programme will be updated if there are any changes to the provisional assumptions.

### 4.0 Children's Services - Education Capital 2023/2024

- 4.1 The table below details the Children's Education Government provisional and announced grants for 2023/2024, with a comparison to 2022/2023.

	2022/23 £'000	2023/24 £'000	2024/25 £'000
Schools Condition Allocation (SCA)	1,514	1,514*	tbc
Education Basic Need	0	0	0
Schools Devolved Funding (DFC)	935	tbc	tbc
High Needs Capital Funding	2,847	2,488	tbc
<b>Total Children's Services</b>	<b>5,296</b>	<b>4,002</b>	<b>0 / tbc</b>

*\*provisional*

- 4.2 Schools Devolved Formula Capital (DFC)

DFC is funding for schools for capital spend delegated to them to spend against their priorities. On 6th December 2022, the Department for Education confirmed an increase to the DFC allocation for 2022/2023 from £0.302m to £0.935m, an increase of £0.633m; this is to be profiled for spend in 2023/2024. The extra funding was provided for capital improvements to buildings and facilities, prioritising works to improve energy efficiency. As yet, there have been no allocations confirmed for 2023/2024.

- 4.3 Schools Conditions Allocation (SCA)

The Schools Condition Allocation is provided to the Council for the maintenance / improvement of maintained schools. Academies and Voluntary Aided (VA) schools receive this funding direct from the Department of Education and determine their own spending plans. As of January 2023, the Council has not yet received confirmation of the value of its Schools Condition Allocation for 2023/2024 but a provisional allocation of £1.514m has been included in the Capital Programme, being the same value as the 2022/2023 allocation.

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

#### 4.4 Basic Need

The Council remains the responsible body for receiving and managing the city's Basic Need funding. This funding is for all publicly funded schools in the city (including Academies, Free Schools and VA schools). Basic Need funding, although not ring fenced, is intended to ensure additional school places can be provided where needed. The Council will not receive an allocation for 2023/2024 or 2024/2025.

#### 4.5 Funding Availability from 2023/2024

##### 4.5.1 Current allocations:

As of January 2022, there is £1.412m of the Schools Condition Allocation and Basic Needs Education Capital grant allocations (received for the period up to 2022/2023) uncommitted towards projects, with £1.163m profiled for potential use in 2022/2023 and £0.249m in 2023/2024. Of this £1.412m:

- £0.545m is allocated to support condition requirements in schools. This is generally held as a contingency to ensure the Council has the ability to respond to immediate condition needs that may arise across the year.
- £0.867m is allocated for the expansion creation of new school places.

##### 4.5.2 2023/2024 allocations:

The allocations for 2023/2024, confirmed and provisional are:

- Basic Needs funding £0;
- Schools Condition Allocation £1.514m; and
- High Needs Capital Funding £2.488m
- Total £4.002m.

It is proposed to allocate £0.250m of the 2023/2024 High Needs Capital Funding allocation to the £0.600m funding already in the Capital programme for the Sunderland PRU to develop a unit for primary aged children with Social, Emotional and Mental Health needs and for the creation of a Link School satellite site in Hetton.

Current estimates indicate costs to develop an ASD unit in the South Sunderland Growth Area, currently in the Capital Programme are now anticipated to be £0.700m. It is also proposed to allocate £0.240m from the 2023/2024 High Needs Capital allocation to fund this variation.

The above will result in a balance of £1.998m for programmes to develop high needs school facilities.

The balance of 2023/2024 allocations of **£3.512m** (£1.514m + £1.998m) is not yet committed to projects and therefore available for new and emerging schools' asset management priorities from that year's allocation; these will include schools maintenance works with a number of schools requiring significant works.

Upon confirmation of the 2023/2024 allocations, the Capital Programme will be updated. Capital investment requirements from these grant allocations will be submitted to Cabinet for approval, where required.

**Capital Programme  
Summary of Programme 2022/2023 to 2026/2027**

Expenditure by Portfolio	Gross Cost £'000	Expend. to 31.3.22 £'000	Estimated Payments				
			2022/2023 £'000	2023/2024 £'000	2024/2025 £'000	2025/2026 £'000	2026/2027 £'000
Deputy Leader & Clean Green City	244,483	111,319	36,128	57,710	24,082	13,284	1,960
Cabinet Secretary	84,039	29,657	18,185	10,200	10,607	11,337	4,053
Children's Learning and Skills	72,906	31,334	23,949	8,400	5,157	4,066	0
Dynamic City	643,943	194,206	130,544	166,427	69,390	68,902	14,474
Healthy City	27,817	12,161	7,128	7,728	550	250	0
Vibrant City	69,701	20,941	6,247	17,936	17,700	4,306	2,571
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>1,142,889</b>	<b>399,618</b>	<b>222,181</b>	<b>268,401</b>	<b>127,486</b>	<b>102,145</b>	<b>23,058</b>

## CAPITAL PROGRAMME

Source of Finance	Estimated Resources				
	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
<b>FROM EXTERNAL SOURCES</b>					
<b>Loans</b>					
Prudential Borrowing	123,228	192,481	104,232	83,368	18,958
<b>Government Grants</b>					
DoH&SC - Disabled Facilities	4,949	4,055	0	0	0
DfE - School's Condition Allocation Grant	2,522	2,014	300	0	0
DfE - Basic Need Grant	1,431	249	0	0	0
DfE - Schools DFC Grant	538	633	0	0	0
DfE - Special Educational Needs and Disability	235	0	0	0	0
DfE - Higher Needs	2,147	2,488	700	0	0
DfT - Local Transport Plan (LTP)	3,011	4,813	0	0	0
DfT - Pothole Grant	1,835	1,835	0	0	0
DfT - Safer Roads Funding	128	0	0	0	0
DfT - Transforming Cities Fund	18,191	674	0	0	0
DfT - Active Travel Fund	525	3,799	0	0	0
DLUHC - Getting Building Fund (GBF)	537	0	0	0	0
DLUHC - Future High Street Fund (FHSF)	7,524	14,662	0	0	0
DLUHC - Coastal Communities Fund (CCF)	22	0	0	0	0
DLUHC - Levelling Up Fund (LUF)	7,322	9,814	0	0	0
DLUHC - Brownfield Land Release Fund (BLRF)	1,943	700	0	0	0
DLUHC - Changing Places Fund	330	0	0	0	0
EA - Coast Protection	717	2,930	0	0	0
DCMS - 5G Create	44	0	0	0	0
BEIS - Dept for Business, Energy & Industrial Strategy grants	7,059	1,693	0	0	0
BEIS - Public Sector Decarbonisation Fund	1,086	0	0	0	0
Government Grants General	328	554	0	0	0
<b>Grants from Other Public Bodies</b>					
Lottery - Heritage Lottery Fund (HLF)	604	0	1,994	3,006	0
European Regional Development Fund (ERDF)	4,316	83	0	0	0
Nexus LTP	43	42	0	0	0
Homes England - Housing Infrastructure Fund (HIF)	11,077	2,524	0	0	0
Homes England - Other	2,252	8,713	8,817	6,645	4,100
Education Skills & Funding Agency (ESFA)	32	0	0	0	0
Historic England	99	0	0	0	0
British Cycling Organisation (BCO)	16	0	0	0	0
Warm Homes Fund	118	388	0	0	0
<b>Other External Funding</b>					
Gentoo	517	100	0	0	0
CCG	1,967	0	0	0	0
Nexus	0	1,432	0	0	0
Other Capital Contributions	0	5,749	9,622	3,928	0
<b>Total External Sources</b>	<b>206,693</b>	<b>262,425</b>	<b>125,665</b>	<b>96,947</b>	<b>23,058</b>
<b>FROM INTERNAL SOURCES</b>					
<b>Revenue Contributions</b>					
Neighbourhood Fund	88	0	0	0	0
Directorate	77	0	0	0	0
<b>Reserves</b>					
Strategic Investment Reserve	1,407	276	0	0	0
S106 Reserves	2,673	707	0	0	0
Capital Priorities Reserve	4,138	52	0	0	0
Other Capital Reserves	1,226	832	0	0	0
<b>Capital Receipts</b>	5,879	4,109	1,821	5,198	0
<b>Total Internal Sources</b>	<b>15,488</b>	<b>5,976</b>	<b>1,821</b>	<b>5,198</b>	<b>0</b>
<b>TOTAL FINANCING</b>	<b>222,181</b>	<b>268,401</b>	<b>127,486</b>	<b>102,145</b>	<b>23,058</b>

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

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
<b>Continuing Projects</b>										
<b>Strategic Economic Development</b>										
CP0203	Energy Masterplan & Feasibility Assessment (DECC)	Development of a Full Business Case for a low carbon city centre heat network, building upon the findings of previous feasibility work, utilising the thermal energy stored within the former workings of Wearmouth Colliery. Key to this next stage are the drilling of pilot boreholes to prove source and concept.	C Mordue	2,577	395	771	1,411	0	0	0
CP0139	Investment Corridors	Infrastructure improvements in and around High Street West, including new street lighting and street furniture, and new high-quality paving materials. Further works dependant on City Centre Movement Strategy.	C Auld	9,200	6,011	905	2,284	0	0	0
CP0142	International Advanced Manufacturing Park (IAMP)	Development of an International Advanced Manufacturing Park (IAMP) set to create over 5,000 jobs and attract over £400 million investment, building on links with local businesses to create an advanced manufacturing centre of excellence for the North East. IAMP is a joint venture between Sunderland and South Tyneside councils and is being jointly promoted by IAMP LLP, a JV company comprising both local authorities.	P McIntyre	57,754	37,350	3,789	13,837	2,778	0	0
CP0266	Vaux Phase 1	Development of the first office building - The Beam - of 60,000 sq. ft. over 5 floors on the former Vaux site, and infrastructure works to roads and footpaths. The building opened in 2019, with remaining budget for finalisation of fit-out works.	A Crabb	25,812	25,031	781	0	0	0	0

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

<b>Project Ref. No.</b>	<b>Project</b>	<b>Project Description</b>	<b>Project Sponsor</b>	<b>Gross Cost £'000</b>	<b>Expend to 31.3.22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
CP0493	Scheme Feasibility & Design	Feasibility and Design works for a number of strategically important projects to support the economic regeneration of the City Centre and wider city including a new Wear Footbridge, additional Railway Station Development, Vaux Developments, Smart Connected Cities and Holmeside Developments. Proposals to proceed with any projects following feasibility are subject to reports to Cabinet for consideration at the appropriate time.	A Crabb	7,370	2,893	2,000	1,674	803	0	0
CP0494	Sunderland Eye Infirmary	Development of a Sunderland Eye Infirmary to be located on the Riverside Sunderland site, and to be supported by a long-term lease arrangement subject to agreement with the tenant.	A Crabb	40,000	2,555	2,445	20,192	13,462	1,346	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.	A Crabb	3,192	1,963	1,229	0	0	0	0



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

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
CP0556	Microgrid Backbone	Significant energy infrastructure enabling works at the International Advanced Manufacturing Park (IAMP). The works, fully funded by a grant from the Department for Business, Energy and Industrial Strategy, include diversion of National Grid infrastructure (towers) to remove an obstruction from the IAMP development site to maximise the land available to enable optimum construction and operation of up to 4m square feet of Gigafactory development as part of the UK's first EV Hub. It also covers progression of development work to secure additional power supplied via a direct connection to National Grid on IAMP with an associated distribution sub-station which is designed to enable further development of an energy microgrid securing cost competitive energy with the ability to scale-up renewable energy supply.	P Littlefair	14,951	11,548	3,121	282	0	0	0
	<b>Port</b>									
CP0491	Port Warehousing Developments	Construction of industrial warehousing at the Port of Sunderland to meet expanding demand for both leased space and undercover cargo storage capacity that will improve the Port's commercial offer. This will also help position the Port to attract long term tenants linked to opportunities arising from market opportunities as identified in the Port's Business Plan from the commodity, circular economy and offshore oil, gas and renewable supply chains.	M Hunt	2,500	651	500	1,349	0	0	0

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

<b>Project Ref. No.</b>	<b>Project</b>	<b>Project Description</b>	<b>Project Sponsor</b>	<b>Gross Cost £'000</b>	<b>Expend to 31.3.22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
CP0313	Port Enterprise Zone	20 acres of land on two sites in the Port of Sunderland have been approved to form part of the North East's Enterprise Zones (round 2). Provision of enabling works will provide a development platform to prospective inward investors looking to take advantage of a port location and its multimodal operational facilities in sectors such as advanced manufacturing, automotive, construction and offshore renewable energy.	M Hunt	8,201	5,040	3,161	0	0	0	0
CP0440	Port General Infrastructure, Equipment & Plant	Investment in infrastructure, plant and equipment will be used to support the on-going operational requirements of the Port, including addressing minor plant/machinery investment, health and safety, and general infrastructure requirements as they arise.	M Hunt	795	443	352	0	0	0	0
<b>Economic Regeneration</b>										
CP0103	Provision for Economic Development	Provision for financial assistance for inward investment and job growth in order to lever significant job creation and private sector investments. Growth areas including Vaux and IAMP may require assistance packages over coming years.	C Auld	3,310	1,005	800	1,505	0	0	0
<b>Flood &amp; Coast Risk Management</b>										
CP0160	Flood and Extreme Weather Mitigation	Rolling programme of flood defence and flood alleviation schemes in accordance with the flood priority list and extreme weather repairs, as well as providing match funding for external funding available through central government for flood alleviation schemes to protect properties, businesses and infrastructure.	C Mordue	4,363	2,717	1,043	500	103	0	0

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

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
CP0357	Coastal Defence - Strategic Frontage 3	Coastal defence scheme situated around the east of the Port which will protect the Port's infrastructure. The delivery of the project in full is reliant upon successful external funding bids.	C Mordue	10,500	1,311	1,750	3,000	3,000	1,439	0
CP0431	Panns East Quay Replacement	Reconstruction of a 60m stretch of the Panns East Quay.	C Mordue	1,674	1,427	247	0	0	0	0
<b>Infrastructure and Commercial Design</b>										
CP0429	Riverside Animation	A programme of works establishing a focus for River based leisure activities with Sunderland University on the North Bank of the Wear adjacent to the St Peters Campus.	C Mordue	500	111	3	386	0	0	0
<b>Fleet Management</b>										
CP0353	Refuse Collection Vehicle Replacement Programme	Planned replacement of the fleet of 24 refuse collection vehicles at the forecast end of life plus 1 pilot electric RCV which will support the Council becoming carbon neutral by 2030. Consideration will be given at time of purchase to electric / hybrid options. This investment into the Refuse Collection Vehicle (RCV) fleet is planned to meet increasing demands from housebuilding and commercial waste.	M Morley	5,113	424	4,689	0	0	0	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.	M Morley	1,998	784	763	451	0	0	0

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

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
CP0423	Environmental Services Vehicles and Equipment	A series of investments in vehicles and equipment is proposed to support the Place Management Service Operations including: <ul style="list-style-type: none"> <li>o Replace existing specialist vehicle and plant fleet which will come to the end of their planned operational life.</li> <li>o Purchase new additional vehicles and equipment to support planned changes in front line service delivery in line with Council priority to improve local environment quality.</li> <li>o Fit safety equipment to the fleet of large goods vehicles.</li> <li>o Replacement wheel bin and recycling containers.</li> <li>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.</li> </ul>	M Morley	3,950	2,500	658	411	381	0	0
CP0524	Fleet - Bulky Waste Collection Service	To cope with anticipated sustained demand from 22/23 onwards, two additional specialist service vehicles have been purchased to collect bulky household waste. 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.	M Morley	109	0	109	0	0	0	0

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

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
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.	M Morley	700	383	0	317	0	0	0
CP0476	Specialist Vehicle / Plant Replacement	Purchase 4 crane wagons for the Highways Operations service to reduce the reliance on, and cost of, using hired vehicles.	M Morley	470	0	470	0	0	0	0
<b>Waste Management</b>										
CP0352	Replacement Household Waste and Recycling Centre	Provision of a new household waste facility at Pallion Industrial Estate, which opened February 2022. The site also includes a re-use shop which opened Summer 2022.	M Morley	5,458	5,057	401	0	0	0	0
<b>Parks and Open Spaces</b>										
CP0285	Parks & Cemetery Infrastructure - Paths	Provision for a repair inspection and maintenance programme in cemeteries and parks.	P McIntyre	300	272	28	0	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.	P McIntyre	448	141	307	0	0	0	0
CP0299	Play and Urban Games	Improvement works to play areas across the city.	P McIntyre	1,860	923	937	0	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.	P McIntyre	870	6	649	215	0	0	0

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

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
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.	P McIntyre	530	90	440	0	0	0	0
CP0444	Pocket Park - Doxford Park	Creation of an outdoor space within Doxford Park by thinning out/making good existing areas of planting. This will be supplemented with new scrub and woodland planting and the creation of a mix of native habitats and an increase in biodiversity. In addition, there will be provision of an educational zone and improvements to existing paths.	P McIntyre	26	6	20	0	0	0	0
CP0504	Urban Tree Challenge Fund	Increase tree cover in key parts of Sunderland that have been identified as having a combination of low tree cover, poorer quality urban environments and areas with social and economic deprivation.	P McIntyre	173	130	43	0	0	0	0
CP0517	Elemore Green Space and Social Enterprise Development	Development of the former Elemore Golf Course at Hetton. Capital improvement works are to the former golf club, car park, the wider landscape of the park areas including outdoor play facilities, signage and interpretation and seating, whilst also protecting the extensive ecology which has developed on the site over time, reduce anti-social behaviour and celebrate the heritage of the area. This will enable a social enterprise to become mobilised on site, delivering initially from the refurbished golf club house and ensuring the long-term sustainability of the Elemore Green Space.	P McIntyre	2,400	101	1,095	1,204	0	0	0

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

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
CP0522	Parks, Open Spaces and Allotment Improvements	This project will support a Citywide Parks and Open Spaces Strategy to improve parks and open spaces infrastructure at a number of locations citywide.	P McIntyre	2,123	51	2,072	0	0	0	0
CP0572	Tree Management Programme	The management of trees and plantations on Council land in line with the agreed Trees Management Policy and Delivery Plan.	P McIntyre	4,500	0	500	1,500	1,500	1,000	0
CP0597	Allotments Improvements	Improvements to Allotments throughout various locations across the City.	S Savage	400	0	50	350	0	0	0
<b>TOTAL CONTINUING PROJECTS</b>				<b>224,127</b>	<b>111,319</b>	<b>36,128</b>	<b>50,868</b>	<b>22,027</b>	<b>3,785</b>	<b>0</b>
<b>Projects Commencing 2023/24</b>										
	<b>Port</b>									
CP0599	Port Infrastructure	The investment will support the undertaking of minor infrastructure works on the Port estate. The acquisition of plant and machinery will support the efficiency of the Port's operations and provide for a safe and secure environment for Port employees, tenants and users. The funding would also deliver essential repair work to the eastern end of the Corporation Quay as well as feasibility work into works on the Sheers Quay to determine the scope and costs associated with any development.	M Hunt	1,300	0	0	400	300	300	300

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

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
<b>Fleet Management</b>										
CP0601	Vehicle, Plant and Equipment Replacement Programme	To replace current fleet due to come to end of useful life for owned vehicles and also current vehicles, plant and equipment under hire/lease agreements that will cease.	M Morley	16,056	0	0	3,842	1,355	9,199	1,660
<b>Flood &amp; Coast Risk Management</b>										
CP0602	Nobles Quay Replacement	Reconstruction of Nobles Quay which is in need of repair. Nobles Quay is one of the quays located on the south side of the river in the east end of the city and is one of the oldest quays remaining in the city dating back to early 1800's. The current stone wall quay is in poor condition and emergency works have recently been carried out to prevent the quay from collapsing ahead of a permanent solution being implemented.	C Mordue	3,000	0	0	2,600	400	0	0
<b>TOTAL PROJECTS COMMENCING 2023/24</b>				<b>20,356</b>	<b>0</b>	<b>0</b>	<b>6,842</b>	<b>2,055</b>	<b>9,499</b>	<b>1,960</b>
<b>TOTAL DEPUTY LEADER &amp; CLEAN GREEN CITY CAPITAL PROGRAMME</b>				<b>244,483</b>	<b>111,319</b>	<b>36,128</b>	<b>57,710</b>	<b>24,082</b>	<b>13,284</b>	<b>1,960</b>



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

Source of Finance	Estimated Resources				
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
<b>FROM EXTERNAL SOURCES</b>					
<b>Loans</b>					
Prudential Borrowing	24,035	51,123	24,082	13,284	1,960
<b>Government Grants</b>					
DLUHC - Getting Building Fund (GBF)	537	0	0	0	0
EA - Coast Protection	717	2,930	0	0	0
BEIS - Dept for Business, Energy & Industrial Strategy grants	3,892	1,693	0	0	0
Government Grants General	259	554	0	0	0
<b>Total External Sources</b>	<b>29,440</b>	<b>56,300</b>	<b>24,082</b>	<b>13,284</b>	<b>1,960</b>
<b>FROM INTERNAL SOURCES</b>					
<b>Revenue Contributions</b>					
Neighbourhood Fund	22	0	0	0	0
<b>Reserves</b>					
S106 Reserves	965	297	0	0	0
Capital Priorities Reserve	4,086	27	0	0	0
Other Capital Reserves	310	386	0	0	0
<b>Capital Receipts</b>					
Capital Receipts	1,305	700	0	0	0
<b>Total Internal Sources</b>	<b>6,688</b>	<b>1,410</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FINANCING</b>	<b>36,128</b>	<b>57,710</b>	<b>24,082</b>	<b>13,284</b>	<b>1,960</b>

**CABINET SECRETARY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
<b>Continuing Projects</b>										
<b>Management of Council Land and Buildings</b>										
CP0161	Improvements to the Crematorium	Physical and structural improvements to the Crematorium.	P Davies	107	62	45	0	0	0	0
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	100	43	57	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 include Jack Crawford, Evolve, Software Centre, Washington Business Centre, the Port's transit shed 7 which also feeds Capstan House, St Mary's MSCP, Riverside MSCP and Bunnyhill. Investment to other buildings will be sought subject to funding availability.	P Davies	2,963	719	2,244	0	0	0	0
CP0415	Hendon Health Centre	Provision for demolition or refurbishment of Hendon Health Centre	P Davies	125	0	0	125	0	0	0
CP0417	City Hall - Furniture and Equipment	Furniture and equipment provision for the City Hall.	A Crabb	3,953	2,068	1,885	0	0	0	0
CP0418	Planned Property Capital Maintenance	Various construction, mechanical and electrical services-based projects / works required to maintain and improve the Council's property portfolio.	P Davies	11,795	5,946	2,500	3,349	0	0	0
CP0470	Security Control Room	The provision of a new CCTV and Security Control Room.	P Davies	400	174	226	0	0	0	0

**CABINET SECRETARY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
CP0473	Sunderland Crematorium	Provision for a refurbished or new purpose-built crematorium with extended car parking facilities, that will be more efficient to operate and maintain. This will help improve the experience for users whilst also affording the opportunity to reduce future running and maintenance costs.	P Davies	7,500	17	55	150	3,000	3,000	1,278
CP0502	Jackie 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	20	380	0	0	0
CP0554	Green Homes Grant – Local Authority Delivery Phase 2	The Council successfully bid for Green Homes Grant (BEIS) to carry out approximately 500 energy efficiency and low carbon interventions in 270 properties across a wide range of tenures on a city-wide basis. Interventions include loft and cavity wall insulation, low carbon heating sources, solar panels and external wall insulation.	P Davies	1,962	32	1,930	0	0	0	0
CP0582	Bishopwearmouth Cemetery - South Chapel Repair/Conservation Works	Planned repair and conservation works to the South Chapel building at Bishopwearmouth Cemetery to prevent further decay and preserve the building.	P Davies	600	0	20	580	0	0	0
CP0584	Replacement Coalfields Depot and Provision of a Salt Barn	A comprehensive redevelopment / replacement of the Houghton Depot so that services and employees can operate within a modern, fit for purpose facility. This will include the provision of an improved service depot and facilities for Refuse, Local Services and Winter Maintenance teams and their equipment and vehicles, as well as a new salt storage barn.	P Davies	6,503	0	50	500	1,000	4,953	0

**CABINET SECRETARY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
CP0590	Public Sector Decarbonisation Scheme	Funding secured from Department for Business, Energy and Industrial Strategy (BEIS). The Project will focus on 7 Council owned properties (Evolve, Bunnyhill Centre, Farnborough Court, Houghton Library, Thorney Close Action and Enterprise Centre, Ryhope Customer Service Centre, and Austin House). The proposal will deliver low carbon heating and hot water systems.	P Davies	1,686	600	1,086	0	0	0	0
<b>Depots</b>										
CP0355	Redevelopment of Parsons Depot including Electric Vehicle Infrastructure	Redevelopment of the operational depot at Parsons, Washington, which became operation Autumn 2022. The works also include electric vehicle infrastructure to future proof Parsons depot as well as Jack Crawford House by ensuring that site energy can be provided from renewable sources including solar, wind and through the use of electric vehicle battery charging. This investment will support the operation and maintenance of the Council's future ultra low carbon (electric) fleet through the provision of a range of standard and high speed vehicle charging points and battery charging and storage facilities which work with the local electricity supply network and renewable energy generated on sites.	M Morley	11,493	6,268	5,225	0	0	0	0
<b>Digital and Customer Services</b>										
CP0286	Refresh of Essential Core ICT Infrastructure	A programme of activities aligned to a full review and rationalisation of the ICT estate to refresh end of life equipment and begin to transition to new on demand offerings.	L St Louis	4,323	4,098	225	0	0	0	0

**CABINET SECRETARY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
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	1,454	724	282	260	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	411	411	0	0	0	0	0
CP0464	Fibre Upgrade	Extension of the Council's fibre optic network to the Port's Capstan House and the Port Control building to mitigate current networking issues.	L St Louis	60	57	3	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	750	0	0	0

**CABINET SECRETARY  
CAPITAL PROGRAMME**

<b>Project Ref. No.</b>	<b>Project</b>	<b>Project Description</b>	<b>Project Sponsor</b>	<b>Gross Cost £'000</b>	<b>Expend to 31.3.22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
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	1,874	1,122	201	551	0	0	0
CP0567	Smart Cities - Replacement of End User Devices	Ongoing replacement of ICT end user devices (laptops, desktop PC's and mobile phones) to ensure the continued, up-to-date and secure use of ICT services.	L St Louis	1,697	0	0	493	875	329	0
CP0568	Smart Cities - Network Monitoring	Provision of network equipment for the City Hall. This will provide Digital Network Architecture (DNA) appliance and advantage licencing for ongoing monitoring purposes and enable uninterrupted network access for all ICT users.	L St Louis	158	0	58	100	0	0	0
CP0569	Smart Cities - Back-up Solution and Data Storage	Extension of the licencing software and support and maintenance to 2024 when the hardware reaches end of life to ensure the continuation of robust and resilient ICT Services with the ability to appropriately back-up and protect the integrity of customers data. Also, replacement of the aging and soon to be unsupported corporate data storage system with a new solution to ensure the continuation of robust and resilient ICT Services with the ability to protect the integrity of customers data that cannot be stored on Office 365.	L St Louis	100	0	100	0	0	0	0

**CABINET SECRETARY  
CAPITAL PROGRAMME**

<b>Project Ref. No.</b>	<b>Project</b>	<b>Project Description</b>	<b>Project Sponsor</b>	<b>Gross Cost £'000</b>	<b>Expend to 31.3.22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
CP0570	Smart Cities - Essential Hardware Replacement	Replacement of the aging hardware infrastructure at key Council sites including Uninterruptible Power Supply (UPS), Edge Switches and Connectivity hardware.	L St Louis	135	0	95	40	0	0	0
CP0571	Smart Cities - Remote Connection Solution	Replacement of the Netscaler solution once it reaches end of life - the Netscaler is the remote connection solution and web content load balancer.	L St Louis	125	0	0	0	125	0	0
CP0503	Assistive Technology General	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 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.	L St Louis	288	116	172	0	0	0	0
<b>Smart Cities</b>										
CP0501	Smart Cities Project	Sunderland has set its vision that 'By 2035, 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	13,236	6,363	1,221	2,900	2,752	0	0

**CABINET SECRETARY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
<b>School Meals</b>										
CP0530	School Meals Kitchen Equipment Replacement	Replacement of school meals equipment across all schools where the school meals service is provided by the Council's inhouse catering team.	P Davies	150	107	43	0	0	0	0
<b>TOTAL CONTINUING PROJECTS</b>				<b>75,614</b>	<b>29,657</b>	<b>18,185</b>	<b>10,200</b>	<b>8,012</b>	<b>8,282</b>	<b>1,278</b>
<b>Projects Commencing 2023/24</b>										
<b>Management of Council Land and Buildings</b>										
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	7,500	0	0	0	2,500	2,500	2,500
<b>Digital and Customer Services</b>										
CP0567	End User Devices	Ongoing replacement of ICT end user devices (laptops, desktop PC's and mobile phones) to ensure the continued, up-to-date and secure use of ICT services.	L St Louis	465	0	0	0	95	95	275
CP0600	NetBackup Appliance Refresh	The NetBackup Appliances which protect our on-premise server estate become end of life in 2025. To continue to secure the integrity of the server estate and the applications and data held the appliances must be replaced.	L St Louis	460	0	0	0	0	460	0
<b>TOTAL PROJECTS COMMENCING 2023/24</b>				<b>8,425</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,595</b>	<b>3,055</b>	<b>2,775</b>
<b>TOTAL CABINET SECRETARY CAPITAL PROGRAMME</b>				<b>84,039</b>	<b>29,657</b>	<b>18,185</b>	<b>10,200</b>	<b>10,607</b>	<b>11,337</b>	<b>4,053</b>



**CABINET SECRETARY  
CAPITAL PROGRAMME**

Source of Finance	Estimated Resources				
	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
<b>FROM EXTERNAL SOURCES</b>					
<b>Loans</b>					
Prudential Borrowing	8,880	8,913	10,347	11,337	4,053
<b>Government Grants</b>					
DCMS - 5G Create	44	0	0	0	0
BEIS - Dept for Business, Energy & Industrial Strategy grants	1,930	0	0	0	0
BEIS - Public Sector Decarbonisation Fund	1,086	0	0	0	0
DLUHC - Changing Places Fund	330	0	0	0	0
<b>Grants from Other Public Bodies</b>					
European Regional Development Fund (ERDF)	2,344	0	0	0	0
<b>Total External Sources</b>	<b>14,614</b>	<b>8,913</b>	<b>10,347</b>	<b>11,337</b>	<b>4,053</b>
<b>FROM INTERNAL SOURCES</b>					
<b>Revenue Contributions</b>					
Directorate	64	0	0	0	0
<b>Reserves</b>					
Strategic Investment Reserve	566	0	0	0	0
Capital Priorities Reserve	2	0	0	0	0
Other Capital Reserves	330	255	0	0	0
<b>Capital Receipts</b>					
Capital Receipts	2,609	1,032	260	0	0
<b>Total Internal Sources</b>	<b>3,571</b>	<b>1,287</b>	<b>260</b>	<b>0</b>	<b>0</b>
<b>TOTAL FINANCING</b>	<b>18,185</b>	<b>10,200</b>	<b>10,607</b>	<b>11,337</b>	<b>4,053</b>

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

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
<b>Continuing Projects</b>										
	<b>DFC</b>									
CP0085	Schools Devolved Capital	Schools devolved formula capital allocations to address the priorities identified by schools in their own asset management plans.	J Colbert	2,407	1,236	538	633	0	0	0
<b>Major School's Asset Management</b>										
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. as well as replacement of the current kitchen and dining facilities with a new kitchen and dining block. Additional studio space will be incorporated into the building to facilitate increased delivery of dance, drama and performing art provision at the school. It is anticipated that the footprint of the block can be reduced, increasing the proportion of available outdoor play space at the school.	J Colbert	5,585	1,157	4,428	0	0	0	0
CP0529	Fulwell Junior School Refurbishment	Structural repair, electrical and mechanical works at Fulwell Junior School. Planned works to include upgrades / replacement of; windows, doors, heat sources as well as internal alterations and refurbishments.	J Colbert	2,500	5	150	1,845	500	0	0
CP0486	Thorney Close Primary School - new build	Relocation of the Thorney Close Primary School and provision of a new build on the existing Sunningdale Primary School site	J Colbert	9,782	0	559	500	4,657	4,066	0

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

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
CP0487	Hetton Primary School - new build	Replacement of the current CLASP Hetton Primary School buildings with a new expanded building. It has provided 70 additional school places and has added a nursery provision to the existing school offer. While the building is open and operational, demolition of the previous school building is expected to be completed for September 2023.	J Colbert	8,079	3,658	4,421	0	0	0	0
CP0488	Newbottle Primary Academy	Improvements to Newbottle Primary Academy. Works to date are improved school access, drop off points and development of expansion plans that can be used at a future point in time. Activity to date has been funded via S106 developer agreements that would have otherwise past, or are about to pass, agreed longstop dates.	J Colbert	897	808	89	0	0	0	0
CP0485	Sunningdale Primary School - new build	Sunningdale Primary School provision has been relocated from Shaftoe Road, Springwell to a new building at Clinton Place, Doxford Park. The proposal increased 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.	J Colbert	14,773	9,468	5,305	0	0	0	0
CP0350	SSGA - School Extensions to St Pauls & Benedict Biscop	Sunderland South Growth Area (SSGA) 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. Extensions implemented at St Pauls CE VC Primary and Benedict Biscop Primary Academy.	J Colbert	1,873	1,873	0	0	0	0	0

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

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
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 increased pupil place capacity from 140 to 315 and supports the new housing developments in the area. The school opened in September 2021.	J Colbert	5,357	5,269	88	0	0	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.	J Colbert	6,242	6,210	32	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.	J Colbert	4,000	0	4,000	0	0	0	0
CP0594	Sunderland Pupil Referral Unit (PRU);	The project will deliver an alternative provision site for primary age children in the coalfields area of Sunderland.	J Colbert	850	0	600	250	0	0	0
<b>Other Schools Asset Management Projects</b>										
CP0088	Other Site Misc.	Management and grounds maintenance of vacant school sites.	J Colbert	31	11	20	0	0	0	0
CP0327	New Condition Works / EAW	Delivery of electricity at work (EAW) and schools condition surveys.	J Colbert	135	124	11	0	0	0	0
CP0205	Access Equipment	Purchase of equipment to assist children with disabilities to access school places.	J Colbert	113	88	25	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.	J Colbert	335	265	70	0	0	0	0
CP0204	Schools Asbestos & Legionella Management	Asbestos and legionella management for schools.	J Colbert	227	177	50	0	0	0	0

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

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
CP0260	Schools Asset Management Unallocated	School capital grants provision to continue to provide window replacements, heating improvements, roofing works, electrical and technical, urgent health and safety works, expansion of school's sites and the improvement of facilities for children with education health and care plans.	J Colbert	1,412	0	1,163	249	0	0	0
CP0386	Schools Capital Maintenance Works	Capital maintenance works to schools including roof repairs/replacement and structural repairs.	J Colbert	1,122	367	755	0	0	0	0
CP0387	Schools Mechanical Works	Heating replacement at Dame Dorothy Primary School and Broadway Junior School.	J Colbert	297	0	297	0	0	0	0
CP0509	Farringdon Secondary Academy School	Works were 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.	J Colbert	100	95	5	0	0	0	0
CP0516	ASD Provision	Refurbishment at New Silksworth Academy to create 16 ASD places to support the delivery of the SSGA.	J Colbert	700	0	300	400	0	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.	J Colbert	1,027	286	741	0	0	0	0
CP0603	Houghton Kepier Academy	Planned investment, funded by S106 contributions, to provide demountables for temporary further places at Kepier Academy in advance of a permanent solution to the deficit in school places.	J Colbert	250	0	0	250	0	0	0

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

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
	<b>Social Care</b>									
CP0490	Children's Residential Homes	Creation of new children's residential facilities through acquisition and/or development of assets. This could create local provision for future placement decisions and/or the repatriation of children from external settings both of which should yield better outcomes for children. A revenue saving is anticipated from the reduced use of more costly external placements and the associated staff costs in supporting the children in those placements.	J Colbert	1,300	237	302	761	0	0	0
<b>TOTAL CONTINUING PROJECTS</b>				<b>69,394</b>	<b>31,334</b>	<b>23,949</b>	<b>4,888</b>	<b>5,157</b>	<b>4,066</b>	<b>0</b>
<b>Projects Commencing 2023/24</b>										
	<b>Other Schools Asset Management Projects</b>									
CP0260	Schools Asset Management Unallocated	School capital grants provision to continue to provide window replacements, heating improvements, roofing works, electrical and technical, urgent health and safety works, expansion of school's sites and the improvement of facilities for children with education health and care plans.	J Colbert	3,512	0	0	3,512	0	0	0
<b>TOTAL PROJECTS COMMENCING 2023/24</b>				<b>3,512</b>	<b>0</b>	<b>0</b>	<b>3,512</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL CHILDREN, LEARNING &amp; SKILLS CAPITAL PROGRAMME</b>				<b>72,906</b>	<b>31,334</b>	<b>23,949</b>	<b>8,400</b>	<b>5,157</b>	<b>4,066</b>	<b>0</b>

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

Source of Finance	Estimated Resources				
	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
<b>FROM EXTERNAL SOURCES</b>					
<b>Loans</b>					
Prudential Borrowing	14,510	2,606	4,157	4,066	0
<b>Government Grants</b>					
DfE - School's Condition Allocation Grant	2,522	2,014	300	0	0
DfE - Basic Need Grant	1,431	249	0	0	0
DfE - Schools DFC Grant	538	633	0	0	0
DfE - Special Educational Needs and Disability	235	0	0	0	0
DfE - Higher Needs	2,147	2,488	700	0	0
<b>Grants from Other Public Bodies</b>					
Homes England - Housing Infrastructure Fund (HIF)	667	0	0	0	0
Education Skills & Funding Agency (ESFA)	32	0	0	0	0
<b>Total External Sources</b>	<b>22,082</b>	<b>7,990</b>	<b>5,157</b>	<b>4,066</b>	<b>0</b>
<b>FROM INTERNAL SOURCES</b>					
<b>Reserves</b>					
S106 Reserves	1,312	410	0	0	0
<b>Capital Receipts</b>	555	0	0	0	0
<b>Total Internal Sources</b>	<b>1,867</b>	<b>410</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FINANCING</b>	<b>23,949</b>	<b>8,400</b>	<b>5,157</b>	<b>4,066</b>	<b>0</b>

**DYNAMIC CITY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
<b>Continuing Projects</b>										
<b>Asset and Network Management</b>										
CP0024	Highways Maintenance	Implement the Highway Maintenance Programme of road resurfacing and footway reconstruction schemes.	C Mordue	16,105	12,759	3,346	0	0	0	0
CP0421	Highways Maintenance - Asset Investment Programme	Improvements to the condition of the Council's highway assets, including roads, footways and traffic signals and reduce the significant maintenance backlog.	C Mordue	11,000	8,655	2,345	0	0	0	0
<b>Bridges and New Structures</b>										
CP0025	Bridge Maintenance	Annual programme of Structural Bridge maintenance.	C Mordue	2,254	1,443	136	675	0	0	0
CP0422	Bridge Maintenance Investment Programme	To improve the condition of the council's stock of bridges and highway structures and to address and reduce the maintenance backlog.	C Mordue	2,008	1,974	22	12	0	0	0
CP0455	Bridge Maintenance - 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.	C Mordue	1,107	857	83	167	0	0	0
CP0457	Bridge Maintenance - A1231 (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.	C Mordue	1,314	1,304	10	0	0	0	0
CP0505	A182 Bridge Maintenance Phase 2	Phase 2 of maintenance works to bridges on A182	C Mordue	600	44	150	406	0	0	0
<b>Transportation Development</b>										
CP0009	Private Streetworks	Council contribution to the upgrade of private streets.	C Mordue	50	0	50	0	0	0	0



**DYNAMIC CITY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
CP0026	Integrated Transport	Annual programme for the implementation of Road Safety and Traffic Congestion improvement schemes.	C Mordue	5,991	3,701	1,543	747	0	0	0
CP0194	Cowies Way (SSTC Phase 3)	Construction of a new road linking the Northern Spire new wear crossing and the city centre. The road opened to traffic November 2021.	C Mordue	70,800	68,627	2,173	0	0	0	0
CP0361	SSGA – Rotary Road (Ryhope Doxford Link Road)	New road infrastructure which will support new homes in the South Sunderland Growth Area (SSGA) in advance of S106 funding. SSGA is to provide; 4,000 family and executive homes, 300 affordable homes and significant construction job creation/safeguards.	C Mordue	9,084	3,693	5,391	0	0	0	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.	C Mordue	3,955	3,828	127	0	0	0	0
CP0398	New City Boundary Signs	Provision of new city boundary signs.	C Mordue	150	54	96	0	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.	C Mordue	1,000	821	179	0	0	0	0
CP0426	Replacement of Road Safety Vehicle	Replace the existing road safety vehicle, used to carry out enforcement of bus stops and school keep clears.	C Mordue	33	0	33	0	0	0	0
CP0471	A1290 Road Safety Improvement Scheme Ph2	Safety improvements to junctions and existing cycling infrastructure on A1290 between A19 and A184.	C Mordue	783	655	128	0	0	0	0

**DYNAMIC CITY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
CP0478	Sustainability Mobility Hub	To implement a staff pool car scheme and one - stop self-sufficient business travel hub for local travel to reduce grey fleet journeys, vehicle emissions across the city, costs of business travel and administration. This will increase sustainable business travel and contribute to the City Plan's objective to be carbon zero by 2030, and to be supported by new technology software to manage staff travel, fleet, bookings, administration, legislative requirements and data capture within one business unit.	C Mordue	750	351	399	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.	C Mordue	5,638	3,425	2,213	0	0	0	0
CP0519	Holmeside Bus Rationalisation and Priority Measures	The rationalisation of traffic movements to and through Holmeside, thereby permanently improving pedestrian and cycle facilities and changes to the Public Transport network and movements around the City Centre. Project scope also includes budget for public realm works around Sunderland train station to follow on from completion of those works.	C Mordue	4,685	241	1,400	3,044	0	0	0
CP0520	Strategic Cycle Network	Improved cycling route provision towards, and around, the City Centre with associated changes to the inner ring road to facilitate safe movement of cyclists to promote active travel and healthier lifestyles.	C Mordue	3,747	264	2,000	1,483	0	0	0

**DYNAMIC CITY  
CAPITAL PROGRAMME**

<b>Project Ref. No.</b>	<b>Project</b>	<b>Project Description</b>	<b>Project Sponsor</b>	<b>Gross Cost £'000</b>	<b>Expend to 31.3.22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
CP0523	Vehicle Actuated Signs (VAS) Programme	Purchase of new and replacement Vehicle Actuated Signs (VAS) as part of the citywide VAS programme	C Mordue	200	23	77	50	50	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 infrastructure to support the delivery of the SSGA.	C Mordue	5,571	368	2,679	2,524	0	0	0
CP0553	A183 Whitburn Road Two-Way Cycle Lane	2-way segregated on-road cycle lane on A183 Whitburn Rd (Tram Shelter, Seaburn to Bungalow Café).	C Mordue	2,300	68	500	1,732	0	0	0
CP0598	A183 Dame Dorothy St. Two-Way Cycle Lane	2-way segregated on-road cycle lane on A183 Dame Dorothy St. (including improvements to junction at Bungalow Cafe to join with Whitburn Rd cycle scheme).	C Mordue	2,710	0	150	2,560	0	0	0
<b>Infrastructure and Commercial Design</b>										
CP0428	Lorry Parking Facility	Infrastructure works to clear a vacant plot and to provide a hard -stand to be used as a lorry parking / lay -up area (including facilities) to accommodate 48 – 54 articulated HGVs).	C Mordue	750	0	750	0	0	0	0
CP0477	City Gateways Large Screen Advertising	To install large advertising screens at key gateways into the city, providing an additional revenue income stream for the Council.	S Savage	800	52	572	176	0	0	0
CP0557	Onstreet Residential Chargepoint Scheme	Provision of charge points in residential areas which have no off-street parking, part funded by grant from Office for Zero Emission Vehicles.	C Mordue	92	0	92	0	0	0	0

**DYNAMIC CITY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
<b>Parking Services</b>										
CP0232	Parking Meters	The replacement and provision of parking meters for new locations in the City and an ongoing programme of reviewing provision and introducing new locations for pay and display.	S Savage	125	100	0	25	0	0	0
CP0479	Riverside Sunderland 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.	A Crabb	14,400	2,646	11,754	0	0	0	0
CP0480	New Dykelands Road Car Park	Acquisition of a 93 space car park to service the seafront area to replace in part the Ocean Park car park that was removed as part of the sea front redevelopment project.	S Savage	513	511	2	0	0	0	0
CP0595	Sheepfolds Car Park	Tarmacing and bay marking of derelict site already used for off-street parking. This long-term empty parcel of land in the Sheepfolds Area sits amongst streets where pay & display fees apply. The creation of this 50 space car park will 'level out' the parking fees in the area and assist with Match parking.	S Savage	87	0	87	0	0	0	0
<b>Strategic Economic Development</b>										
CP0495	Strategic Acquisitions and Developments	Provision for real estate assets to support strategic economic regeneration and the City Plan. Proposals will be brought forward in accordance with the Council's policy for the acquisition of land and buildings.	N Guthrie	74,953	46,619	12,695	15,639	0	0	0

**DYNAMIC CITY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
CP0518	Sunderland Central Station Redevelopment & Car Park	Redevelopment of the Sunderland Central Station, a circa 400-space car park on the nearby Holmeside site as well as demolition and clearance of the old civic centre site. The Station has progressed via the demolition of the main southern concourse with follow on reconstruction of the Station above platform level and 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 Station redevelopment is scheduled to complete Summer 2023 and the new MSCP to become operational January 2024.	P Littlefair	35,565	854	21,547	13,164	0	0	0
CP0588	City of Sunderland Arena	The planned creation of a new mixed-use leisure development on the site of the former Crowtree Leisure centre. The new development will be a vibrant visitor attraction by day and night. It will be activated by two important leisure anchors, an arena and food hall, and will be complemented by restaurants, shops, hotel and new public realm.	A Crabb	83,340	0	1,750	10,850	29,000	41,740	0
CP0596	Dilapidations of Unit 6 International Drive IAMP	A programme of dilapidation works at Unit 6, IAMP, to reinstate the facility to its original design following termination of the NHS's tenancy.	N Guthrie	1,967	0	1,967	0	0	0	0
<b>Housing Services</b>										
CP0072	Hetton Downs Regeneration	Acquisition and demolition of properties for housing renewal in the Hetton Downs area.	G Scanlon	9,111	8,957	154	0	0	0	0
CP0302	Hetton Downs Development Phase 2	To support housing and community regeneration in Edward & Fairy Street.	G Scanlon	1,881	124	81	1,676	0	0	0

**DYNAMIC CITY  
CAPITAL PROGRAMME**

<b>Project Ref. No.</b>	<b>Project</b>	<b>Project Description</b>	<b>Project Sponsor</b>	<b>Gross Cost £'000</b>	<b>Expend to 31.3.22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
CP0392	Affordable Housing Provision	Use of S106 affordable housing contributions for the provision and promotion of affordable housing across the City, including through returning empty properties back to use.	G Scanlon	710	542	168	0	0	0	0
CP0499	Housing Delivery Investment Plan	Delivery of the Housing Delivery and Investment Plan. Cabinet approved on 19 November 2019 for the Council to become involved in the direct provision of new Social Housing with Investor Partner status. The Plan will bring empty homes back into use via purchase and improvement of empty homes and will provide new affordable bungalows and further supported accommodation units. The Plan will be supported by external funding from Homes England, and the rental income streams arising from this investment will fund the initial borrowing costs as well as ongoing maintenance and management.	G Scanlon	59,000	10,159	8,927	9,980	9,980	9,980	9,974
CP0534	Willowfield - Supported Housing Village	Planned provision of a supported housing village has now ceased, with remaining budget to meet contractual costs.	G Scanlon	286	46	240	0	0	0	0
CP0535	Inspiring Futures Programme - Delivering a new approach to Homelessness Services and Accommodation	Provision of accommodation and support for those who are homeless, have complex needs and require support to move forward with their lives towards independent living. The project is expected to be supported by grants from Homes England and Department for Levelling Up, Housing and Communities, and the net investment is expected to be recouped by rental income.	G Scanlon	7,229	6	691	6,532	0	0	0

**DYNAMIC CITY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
	<b>Commercial Housing</b>									
CP0366	Former Usworth Comprehensive School Site Enabling Works	Enabling works on the former Usworth school site in advance of development of the site.	N Guthrie	510	388	122	0	0	0	0
CP0531	Vaux Housing	The design and development of a new residential scheme on the former Vaux site consisting of carbon neutral dwellings for rent and sale. It will provide a new high-quality housing offer in a vibrant well-connected community, creating a place where people want to live, and also complement the wider masterplan for Riverside Sunderland including the Beam and the new City Hall. This site will be the home of the Sunderland Future Living Expo, which will showcase regional skills and housing innovation and the Home of 2030. The project is supported by grants from Homes England, DLUHC and ERDF. The commercial business case demonstrates the recovery of the capital investment over a 25-year period from rental income and subsequent asset portfolio sale.	N Guthrie	52,767	3,906	14,621	31,752	2,488	0	0
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	31	2,500	3,250	9,422	7,800	0

**DYNAMIC CITY  
CAPITAL PROGRAMME**

<b>Project Ref. No.</b>	<b>Project</b>	<b>Project Description</b>	<b>Project Sponsor</b>	<b>Gross Cost £'000</b>	<b>Expend to 31.3.22 £'000</b>	<b>2022/23 £'000</b>	<b>2023/24 £'000</b>	<b>2024/25 £'000</b>	<b>2025/26 £'000</b>	<b>2026/27 £'000</b>
CP0533	Housing Other Sites	Provision for planning and infrastructure works to allow the Council to bring forward a number of pipeline development sites to meet the city's strategic housing need and optimise land receipts.	N Guthrie	6,591	22	417	3,637	1,561	954	0
<b>Seafront Regeneration</b>										
CP0358	Sunderland Seafront Trust - CCF Round 5	Bring into use vacant assets as commercial premises as part of further development of assets in conjunction with the Seafront Trust, supported by funding from the Coastal Communities Round 5 fund.	C Auld	1,147	689	458	0	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.	P Davies	55	5	50	0	0	0	0
CP0498	Seaburn Public Realm	The Public Realm investment at Ocean Park seeks to complement the previous investment at Seaburn as well as pipeline development projects at the site. The scheme will seek to deliver new equipped play facilities to replace the play area to the north of Cut Throat Dene, upgrade of paving to the west of Whitburn Road (Ocean Park frontage) and the formation of a new east-west pedestrian link and public realm upgrades to Dykelands Road.	C Auld	2,389	590	1,214	585	0	0	0



**DYNAMIC CITY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
<b>Regeneration Projects</b>										
CP0397	Bishopwearmouth Townscape Initiative Phase 2	Phase 2 of the Bishopwearmouth Townscape Heritage Initiative commenced late summer 2018 and will run for 5 years providing grants to owners / tenants to repair and restore historic properties and funding an enhancement scheme for Town Park and activities and events.	C Auld	2,269	1,409	724	136	0	0	0
CP0413	Heritage Action Zone (HAZ) Partnership Grant Scheme	The Partnership Grant Scheme will deliver key elements of the HAZ Delivery Plan by securing the repair, restoration and enhancement of the key landmark listed buildings in the City: Mackie's Corner and 170-175 High Street West, Elephant Tea Rooms and an a new traditional shop front for 177 High Street West securing wider conservation area enhancement. This scheme is part funded by Historic England, and also supplemented by third party contributions to the grants provided by the Council. The Elephant Tea Rooms project is also part funded through the Future High Street Fund initiative.	C Auld	1,624	724	619	253	28	0	0

**DYNAMIC CITY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'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	49,164	2,417	14,477	27,031	5,239	0	0

**DYNAMIC CITY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'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 supported by Levelling Up Funding.	N Guthrie	14,633	124	3,042	11,467	0	0	0
CP0552	Keel Square Hotel	Provision to fit out two of the ground floor commercial units in Keel Square Hotel, partly funded by the Future High Streets Fund grant.	A Crabb	3,210	127	3,083	0	0	0	0
CP0575	Sunniside Regeneration (Nile & Villiers Street)	Development of a Living Arts Hub in Nile & Villiers Street which will be an exemplar residential-led mixed-use scheme comprising 87 high quality, sustainable homes and workspaces which will be particularly appealing to Sunderland's vibrant creative community and will kickstart regeneration in Sunniside and Old Sunderland. Delivery of the scheme is dependent on securing third party funding to cover the full capital cost of the development.	N Guthrie	24,000	3	1,000	9,447	9,622	3,928	0
<b>Sport</b>										
CP0573	Reinstatement of Bridleway (Downhill)	Planned improvements to a stretch of the bridle path to the South of the Downhill Football Hub. The widening of an existing path would provide an improved access solution for residents accessing the site and using the public right of way recreationally.	G Taylor	110	0	110	0	0	0	0

**DYNAMIC CITY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
CP0574	Overflow car park - North Area Playing Fields Washington	The creation of circa 90 car parking spaces on unused land adjacent to the west of the approach road to the former Northern Area Playing Fields which is now home to the Washington Football Hub and additionally is the access point for the Washington Riding Centre. The existing gates have also been repaired, along with the installation of timber fencing.	G Taylor	45	0	45	0	0	0	0
<b>Carbon Reduction</b>										
CP0592	Social Housing Decarbonisation Fund (SHDF) Wave 1	The Council, as lead applicant for this grant, is working closely with Gentoo as a key registered provider in the city to provide decarbonisation upgrade works to 604 social housing units owned by Gentoo across Sunderland including loft insulation, a combination of loft and window upgrades and fabric enhancements, such as external wall insulation and flat roof upgrades.	C Auld	1,237	0	1,237	0	0	0	0
CP0593	Warm Homes Fund (WHF) project - Lot 1	The project aims to install 135 air source heat pumps at both privately owned and privately rented properties using funding from Affordable Warmth Solutions.	C Auld	506	0	118	388	0	0	0
<b>TOTAL CONTINUING PROJECTS</b>				<b>625,904</b>	<b>194,206</b>	<b>130,544</b>	<b>159,388</b>	<b>67,390</b>	<b>64,402</b>	<b>9,974</b>
<b>Projects Commencing 2023/24</b>										
<b>Asset and Network Management</b>										
CP0024	Highways Maintenance	Implement the Highway Maintenance Programme of road resurfacing and footway reconstruction schemes.	C Mordue	3,547	0	0	3,547	0	0	0
CP0421	Highway Asset Investment	Improvements to the condition of the Council's highway assets, including roads, footways and traffic signals and reduce the significant maintenance backlog.	C Mordue	8,000	0	0	1,000	1,000	3,000	3,000

**DYNAMIC CITY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
<b>Bridges and New Structures</b>										
CP0025	Bridge Maintenance	Annual programme of Structural Bridge maintenance.	C Mordue	382	0	0	382	0	0	0
CP0422	Bridge Maintenance Investment Programme 2023/2027	To improve the condition of the council's stock of bridges and highway structures and to address and reduce the maintenance backlog.	C Mordue	5,000	0	0	1,000	1,000	1,500	1,500
<b>Transportation Development</b>										
CP0026	Integrated Transport	Annual programme for the implementation of Road Safety and Traffic Congestion improvement schemes.	C Mordue	1,110	0	0	1,110	0	0	0
<b>TOTAL PROJECTS COMMENCING 2023/24</b>				<b>18,039</b>	<b>0</b>	<b>0</b>	<b>7,039</b>	<b>2,000</b>	<b>4,500</b>	<b>4,500</b>
<b>TOTAL DYNAMIC CAPITAL PROGRAMME</b>				<b>643,943</b>	<b>194,206</b>	<b>130,544</b>	<b>166,427</b>	<b>69,390</b>	<b>68,902</b>	<b>14,474</b>

**DYNAMIC CITY  
CAPITAL PROGRAMME**

Source of Finance	Estimated Resources				
	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
<b>FROM EXTERNAL SOURCES</b>					
<b>Loans</b>					
Prudential Borrowing	71,243	117,244	49,390	53,131	10,374
<b>Government Grants</b>					
DfT - Local Transport Plan (LTP)	3,011	4,813	0	0	0
DfT - Pothole Grant	1,835	1,835	0	0	0
DfT - Safer Roads Funding	128	0	0	0	0
DfT - Transforming Cities Fund	18,191	674	0	0	0
DfT - Active Travel Fund	525	3,799	0	0	0
DLUHC - Coastal Communities Fund (CCF)	22	0	0	0	0
DLUHC - Future High Street Fund (FHSF)	4,264	6,039	0	0	0
DLUHC - Brownfield Land Release Fund (BLRF)	1,943	700	0	0	0
DLUHC - Levelling Up Fund (LUF)	7,322	9,814	0	0	0
BEIS - Dept for Business, Energy & Industrial Strategy grants	1,237	0	0	0	0
Government Grants General	69	0	0	0	0
<b>Grants from Other Public Bodies</b>					
Lottery - Heritage Lottery Fund (HLF)	604	0	0	0	0
European Regional Development Fund (ERDF)	1,972	83	0	0	0
Nexus LTP	43	42	0	0	0
Homes England - Housing Infrastructure Fund (HIF)	10,410	2,524	0	0	0
Homes England - Other	2,252	8,713	8,817	6,645	4,100
Historic England	99	0	0	0	0
Warm Homes Fund	118	388	0	0	0
<b>Other External Funding</b>					
Gentoo	417	0	0	0	0
Nexus	0	1,432	0	0	0
CCG	1,967	0	0	0	0
Other Capital Contributions	0	5,749	9,622	3,928	0
<b>Total External Sources</b>	<b>127,672</b>	<b>163,849</b>	<b>67,829</b>	<b>63,704</b>	<b>14,474</b>

**DYNAMIC CITY  
CAPITAL PROGRAMME**

Source of Finance	Estimated Resources				
	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
<b>FROM INTERNAL SOURCES</b>					
<b>Revenue Contributions</b>					
Directorate	13	0	0	0	0
<b>Reserves</b>					
Strategic Investment Reserve	821	176	0	0	0
S106 Reserves	178	0	0	0	0
Capital Priorities Reserve	50	25	0	0	0
Other Capital Reserves	400	0	0	0	0
<b>Capital Receipts</b>					
Capital Receipts	1,410	2,377	1,561	5,198	0
<b>Total Internal Sources</b>	<b>2,872</b>	<b>2,578</b>	<b>1,561</b>	<b>5,198</b>	<b>0</b>
<b>TOTAL FINANCING</b>	<b>130,544</b>	<b>166,427</b>	<b>69,390</b>	<b>68,902</b>	<b>14,474</b>

**HEALTHY CITY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
<b>Continuing Projects</b>										
<b>Adult Services</b>										
CP0432	Day Centre Refurbishment	Refurbishment of Washington and Fulwell Day Centres to meet the needs of people with complex disabilities and behaviours. Alongside this the centres will offer care, social stimulation and day opportunities that is outcome focused but is able to meet the person's holistic health and social care needs. disabilities and behaviours."	G King	3,000	30	500	2,470	0	0	0
CP0484	Bishopwearmouth Horticultural Nursery Carpark & Lighting Improvements	Improvements to the facilities at Bishopwearmouth Horticultural Nursey, namely the resurfacing of the existing aggregate car park and adjoining road with asphalt and the installation of outdoor lighting to car parks and outside work areas.	G King	108	85	23	0	0	0	0
CP0080	Disabled Facilities Grants	Provision of grants to support much needed adaptations to be carried out to properties allowing people to remain in their homes.	G King	16,153	11,104	5,049	0	0	0	0
CP0539	ICT/Assistive Technology ASC	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	180	620	300	300	0	0
CP0576	Technology Developments Adult Services	Investment into further assistive technology specific to adult social care and also mini schemes focused upon Technology Aided Productivity (TAP) benefiting the productivity of operational teams.	G King	1,000	0	250	250	250	250	0



**HEALTHY CITY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
CP0577	Community Equipment Service - New Storage Facilities at Leechmere	A planned new storage, admin and workshop facility in the Community Equipment Service (CES) located in the Leechmere Centre, including: <ul style="list-style-type: none"> <li>• equipment to support activities of daily living</li> <li>• equipment to support home nursing</li> <li>• mobility equipment and nonpowered wheelchairs</li> <li>• fitting of telecare/assistive technology</li> <li>• 24/7 equipment delivery and repair service.</li> </ul>	G King	500	0	500	0	0	0	0
CP0578	Learning Disabilities Out of Hospital Community Provision	Investment into accommodation tailored solutions to ensure that people with a learning disability and/or autism in hospital who could be supported in the community are discharged into a community setting as soon as possible and to prevent inappropriate admissions, and longer-term work to reshape the provision of care and support services.	G King	724	0	171	553	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: <ul style="list-style-type: none"> <li>• Provision of demonstration showrooms and training facilities at the Independent Living Centre</li> <li>• Increased use of technology to transform service delivery and increase staff productivity</li> <li>• Provision of show rooms to promote technological solutions to improve resident's independence.</li> </ul>	G King	777	762	15	0	0	0	0
<b>TOTAL CONTINUING PROJECTS</b>				<b>23,662</b>	<b>12,161</b>	<b>7,128</b>	<b>3,573</b>	<b>550</b>	<b>250</b>	<b>0</b>

**HEALTHY CITY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
<b>Projects Commencing 2023/24</b>										
CP0080	<b>Adult Services</b>									
	Disabled Facilities Grants	Provision of grants to support much needed adaptations to be carried out to properties allowing people to remain in their homes.	G King	4,155	0	0	4,155	0	0	0
<b>TOTAL PROJECTS COMMENCING 2023/24</b>				<b>4,155</b>	<b>0</b>	<b>0</b>	<b>4,155</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL HEALTHY CITY CAPITAL PROGRAMME</b>				<b>27,817</b>	<b>12,161</b>	<b>7,128</b>	<b>7,728</b>	<b>550</b>	<b>250</b>	<b>0</b>

**HEALTHY CITY  
CAPITAL PROGRAMME**

Source of Finance	Estimated Resources				
	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
<b>FROM EXTERNAL SOURCES</b>					
<b>Loans</b>					
Prudential Borrowing	1,873	3,382	550	250	0
<b>Government Grants</b>					
DoH&SC - Disabled Facilities	4,949	4,055	0	0	0
<b>Other External Funding</b>					
Gentoo	100	100	0	0	0
<b>Total External Sources</b>	<b>6,922</b>	<b>7,537</b>	<b>550</b>	<b>250</b>	<b>0</b>
<b>FROM INTERNAL SOURCES</b>					
<b>Reserves</b>					
Strategic Investment Reserve	20	0	0	0	0
Other Capital Reserves	186	191	0	0	0
<b>Total Internal Sources</b>	<b>206</b>	<b>191</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FINANCING</b>	<b>7,128</b>	<b>7,728</b>	<b>550</b>	<b>250</b>	<b>0</b>

**VIBRANT CITY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
<b>Continuing Projects</b>										
<b>Community Services</b>										
CP0412	Neighbourhood Capital Investment Programme (NCIP)	Provision for devolved priority investments into Neighbourhood Renewals.	G Taylor	2,696	369	1,842	485	0	0	0
<b>Culture, Events and Sport</b>										
CP0309	Parklife Football Hubs	Provision of 3 football hub sites strategically located in areas of demand, geographically positioned and with good transport links.	G Taylor	18,370	18,264	106	0	0	0	0
CP0579	Arts Centre Washington Refurbishment	Planned investment to update, improve and make more accessible a number of hire spaces at Arts Centre Washington. This will generate additional income to support operations and programme, and see the Low Barn, Granary and Theatre upgraded.	C Auld	200	0	100	100	0	0	0
CP0580	Raich Carter Centre Improvement Works	Improvement works to the Raich Carter Sports Centre. The improvement works are in the final stages, the outdoor Hockey / Football surface has been replaced along with improvements to the fence line and floodlighting. These improvements will see the return of Hockey to the facility along with new opportunities for residents to participate in sport and physical activity.	G Taylor	250	0	250	0	0	0	0

**VIBRANT CITY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
CP0581	Modernising Libraries (Washington and Houghton Libraries)	A modernisation and refurbishment of both Houghton and Washington libraries will be aligned to Culture House, equally profiling the professional Libraries Services in the City to a position where they can support and improve life skills and chances of residents of all ages and backgrounds. The investment in Culture House will create an exciting City centre space for learning, creativity and socialisation, the modernisation of both Houghton & Washington will create a similar vibrant, physical experience for residents across the City, ahead of Culture House opening.	J Colbert	1,050	0	0	1,050	0	0	0
CP0585	Football Hubs Sinking Fund	Provision of a sinking fund for football hubs replacement of 3G surfaces	G Taylor	2,571	0	0	0	0	0	2,571
CP0586	Hetton Ward Sport & Rec Facilities	Providing new and improved opportunities for residents to participate in Sport and physical activity. Projects including providing Ebikes for people with disabilities to use, a range of outdoor gym equipment for Elemore Country Park, and a new pontoon for Hetton Lyons Country Park.	G Taylor	191	35	156	0	0	0	0
CP0587	East Rainton Cricket Club	Installation of a perimeter fence at East Rainton Cricket Club enabling the club to continue operating and providing sport and activity opportunities at the community.	G Taylor	43	8	35	0	0	0	0

**VIBRANT CITY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
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	27,975	2,215	3,260	15,000	7,500	0	0
CP0541	Washington F Pit Heritage Visitor Centre and Albany Park Improvements	Construction of a new heritage visitor centre incorporating exhibition, teaching and community 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	27	40	283	3,000	1,300	0
CP0542	Digitisation of Local History & Library collections	Digitisation of local history and library collections. The biggest collection of local and social history records owned by the Council chart the development and changing face of the City over hundreds of years.	J Colbert	650	0	150	450	50	0	0

**VIBRANT CITY  
CAPITAL PROGRAMME**

Project Ref. No.	Project	Project Description	Project Sponsor	Gross Cost £'000	Expend to 31.3.22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000
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.	S Savage	300	0	0	150	150	0	0
CP0405	Sunderland Museum & Winter Gardens Redevelopment	A planned refurbishment of the Sunderland Museum and Winter Gardens to improve the cultural offer in the city and seek to refurbish many of the tired exhibits as well as ensuring that the museum delivery is fully integrated to ensure maximum opportunity for events, programme, exhibitions and learning lessons. The proposal is subject to securing circa £5m external funding.	C Auld	10,755	23	308	418	7,000	3,006	0
<b>TOTAL CONTINUING PROJECTS</b>				<b>69,701</b>	<b>20,941</b>	<b>6,247</b>	<b>17,936</b>	<b>17,700</b>	<b>4,306</b>	<b>2,571</b>
<b>TOTAL VIBRANT CITY CAPITAL PROGRAMME</b>				<b>69,701</b>	<b>20,941</b>	<b>6,247</b>	<b>17,936</b>	<b>17,700</b>	<b>4,306</b>	<b>2,571</b>

**VIBRANT CITY  
CAPITAL PROGRAMME**

Source of Finance	Estimated Resources				
	2022/23	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000	£'000
<b>FROM EXTERNAL SOURCES</b>					
<b>Loans</b>					
Prudential Borrowing	2,687	9,213	15,706	1,300	2,571
<b>Government Grants</b>					
DLUHC - Future High Street Fund (FHSF)	3,260	8,623	0	0	0
<b>Grants from Other Public Bodies</b>					
Lottery - Heritage Lottery Fund (HLF)	0	0	1,994	3,006	0
British Cycling Organisation (BCO)	16	0	0	0	0
<b>Total External Sources</b>	<b>5,963</b>	<b>17,836</b>	<b>17,700</b>	<b>4,306</b>	<b>2,571</b>
<b>FROM INTERNAL SOURCES</b>					
<b>Revenue Contributions</b>					
Neighbourhood Fund	66	0	0	0	0
<b>Reserves</b>					
Strategic Investment Reserve	0	100	0	0	0
S106 Reserves	218	0	0	0	0
<b>Total Internal Sources</b>	<b>284</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FINANCING</b>	<b>6,247</b>	<b>17,936</b>	<b>17,700</b>	<b>4,306</b>	<b>2,571</b>



**PROJECT SPONSORS KEY  
CAPITAL PROGRAMME**

<b>Project Sponsor</b>	<b>Job Title</b>
A Crabb	Development Director (Commercial)
C Auld	Assistant Director of Economic Regeneration
C Mordue	Assistant Director of Transport & Infrastructure
G King	Director of Adult Services / Chief Operating Officer Sunderland Care & Support
G Scanlon	Assistant Director of Housing & Community Services
G Taylor	Executive Director of Health Housing & Communities
J Colbert	Chief Executive of TFC & Director of Children Services
L St Louis	Director of Smart Cities & Enabling Services
M Hunt	Port Director
M Morley	Director of Environmental Services
N Guthrie	Development Director (Residential)
P Davies	Assistant Director of Assurance & Property Services
P Littlefair	Development Director (Major Projects)
P McIntyre	Executive Director City Development
S Savage	Assistant Director of Regulatory Services

## Prudential and Treasury Indicators 2023/2024 to 2026/2027

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 2021/2022 was £124.213 million and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Estimated Capital Expenditure	222.18	268.40	127.49	102.14	23.06

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

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

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

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

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

Estimates of the proportion of financing costs to net revenue stream for the current and future years, and the actual figures for 2021/2022 are:

	<b>Estimates of financing costs to net revenue stream</b>				
<b>2021/2022</b>	<b>2022/2023</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>
<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
9.89%	8.89%	12.00%	13.04%	14.11%	15.00%

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 2022 are:

**Capital Financing Requirement**

<b>31/03/22</b>	<b>31/03/23</b>	<b>31/03/24</b>	<b>31/03/25</b>	<b>31/03/26</b>	<b>31/03/27</b>
<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
618,001	726,476	902,008	990,923	1,050,812	1,042,419

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

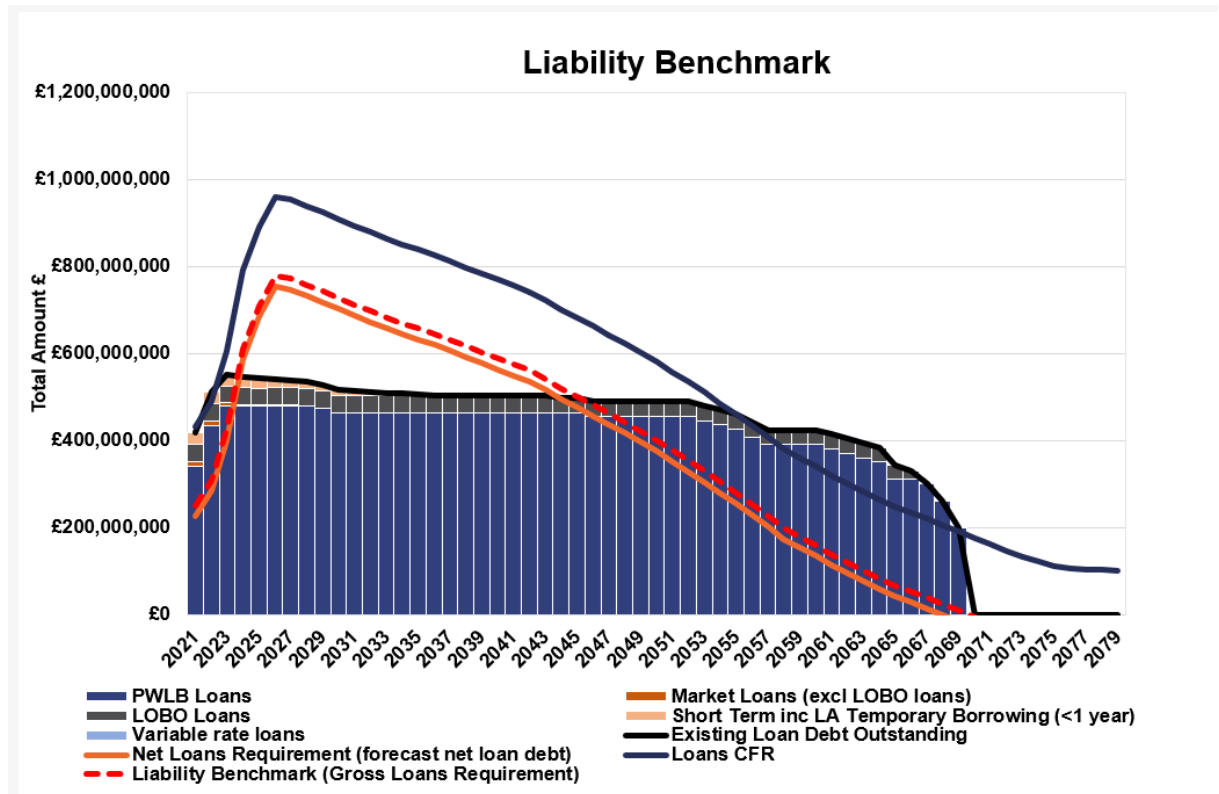
The Capital Financing Requirement includes other long-term liabilities e.g. Private Finance Initiative (PFI) schemes and finance leases. Whilst this increases the Capital Financing Requirement, and therefore the Council's borrowing requirement, these types of schemes include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council had £125.736 million of such schemes included in its Capital Financing Requirement as at 31<sup>st</sup> March 2022.

- 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 2021/2022, 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 2023/2024.

The liability benchmark for the Council is shown in the chart below. From 2023 onwards it is projected for the next 20 years that the Council will be under-borrowed against its requirements. This will mean that additional borrowing will be required but the Council will manage that, as it always has, by monitoring interest rates and identifying the most appropriate borrowing opportunities. There may be occasions when the Council will opt to actively be under-borrowed to avoid excessive interest rate costs and manage financing requirements through internal resources.



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

<b>Authorised Limit for External Debt</b>					
	<b>2022/2023</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Borrowing	929,152	981,975	971,732	952,613	933,570
Other long-term liabilities	153,506	146,013	138,780	131,233	123,241
<b>Total</b>	<b>1,082,658</b>	<b>1,127,988</b>	<b>1,110,512</b>	<b>1,083,846</b>	<b>1,056,811</b>

The above authorised limits are consistent with the Council's current commitments, existing plans and the proposals in this report for capital expenditure and financing, and with its approved treasury management policy statement and practices. They are based on the estimate of most likely, prudent, but not worst-case scenario, with, in addition, sufficient headroom over and above this to allow for operational management, for example unusual cash movements, non-financial investments and refinancing of all internal borrowing. Risk analysis and risk management strategies have been taken into account, as have plans for capital expenditure, estimates of the Capital Financing Requirement and estimates of cash flow requirements for all purposes.

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

In taking its decisions on the Revenue Budget and Capital Programme for 2023/2024, the Council is asked to note that the authorised limit determined for 2023/2024 (see P5 above) will be the statutory limit determined under section 3(1) of the Local Government Act 2003.

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

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

### Operational Boundary for External Debt

	2022/2023 £'000	2023/2024 £'000	2024/2025 £'000	2025/2026 £'000	2026/2027 £'000
Borrowing	904,152	956,975	946,732	927,613	908,570
Other long-term liabilities	153,506	146,013	138,780	131,233	123,241
<b>Total</b>	<b>1,057,658</b>	<b>1,102,988</b>	<b>1,085,512</b>	<b>1,058,846</b>	<b>1,031,811</b>

P7 The Council's actual external debt at 31<sup>st</sup> March 2022 was £618.497 million and was made up of borrowing of £511.176 million and other long-term liabilities of £127.684 million.

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

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

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

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

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

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

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

**CIPFA Treasury Management in the Public Services Code of Practice - Indicators 2023/2024 to 2026/2027**

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 (2023/2024, 2024/2025, 2025/2026 and 2026/2027) for long-term investments (those over 365 days), made by the Council. This gives additional flexibility to the Council in undertaking its Treasury Management function. Should the Council appoint any external fund managers during the year, these limits will be apportioned accordingly. The types of investments to be allowed are detailed in the Annual Investment Strategy (Appendix 7).

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

## Minimum Revenue Provision Policy Statement 2023/2024

- 1.1 The Council is required to repay an element of its accumulated General Fund capital financing requirement each year through a revenue charge known as the Minimum Revenue Provision (MRP). Until 2007/2008 the basis of calculation for the MRP was specified in legislation. However, from 31<sup>st</sup> March 2008 onwards the statutory requirement is simply for local authorities to make a prudent level of provision and the Department for Levelling Up, Housing and Communities (DLUHC) has instead provided statutory guidance on the methodology to use, which local authorities are required to 'have regard to' when assessing an appropriate MRP. The guidance recommends that authorities must submit to full Council an annual statement of its policy on making a MRP in respect of the following financial year. Any subsequent revisions to that policy should also be approved by full Council. The latest guidance has been considered when setting the MRP policy for 2023/2024.

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

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

This document sets out the MRP policy for 2023/2024.

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



50 years. The duty to make MRP extends to investment properties where their acquisition has been partially or fully funded by an increase in borrowing or credit arrangements.

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

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

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

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

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

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

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

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

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

- 1.6 It is proposed that MRP for both supported and unsupported borrowing continues to be calculated using an annuity method. The interest rate used to profile the MRP under the annuity method will be 3.50% which is the discount rate used by the government in its Green Book when assessing long term projects and is similar to the Council's current interest paid on fixed rate borrowing (2.57%). Government guidelines support the use of the annuity method to calculate MRP for option 3 and the interest rate used to profile MRP will be reviewed annually to ensure that it is still appropriate.

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

therefore considered the fairest method to use.

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

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

- 1.7 Given budget pressures, it is proposed that opportunities for utilising the prudential framework by taking out additional borrowing, be restricted to a level where provision has been made within the revenue budget and where the expenditure will either be used to support the Council's key priorities in terms of regeneration plans and strategic priorities, to fund invest to save schemes, or to support asset purchases where option appraisal of funding through borrowing instead of leasing is appropriate. The revenue budget is framed to enable such levels to be affordable and sustainable into future years.
- 1.8 Accounting standards require assets purchased through finance leases and PFI contracts to be included on the Council's balance sheet. MRP policy used by the Council will ensure that there will be no impact on Council taxpayers from revisions to accounting standards. The amount of MRP to be made will be set to ensure that the finance charge and MRP for leases and on-balance sheet PFI schemes is equal to the rental or service charge payable in the income and expenditure account for the year, which writes down the balance sheet liability of those assets i.e. the annual MRP charge will be an amount equal to the amount that has been taken to the balance sheet to reduce the liability for that asset.
- 1.9 In summary, it is recommended that the Council approves the Minimum Revenue Provision Statement for 2023/2024:
  - a. For all government supported borrowing the Council will continue its policy of repaying borrowing over 50 years using the annuity method with the interest rate used to profile MRP being set at 3.5%;
  - b. For all unsupported borrowing the Council will adopt Option 3 and make MRP repayments using the annuity method with the interest rate used to profile MRP being set at 3.5%. The estimated useful life of an asset will be assessed by the Director of Finance in consultation with appropriate officers. The MRP charge will commence in the financial year following the one in which the capital scheme the borrowing relates to is complete and

the asset has come into service;

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

**Treasury Management Policy Statement**

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

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

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

The Council re-affirms its commitment to the Treasury Management Policy and Strategy Statement in 2023/2024 as it does every year.

## Treasury Management Strategy Statement for 2023/2024

### 1. Introduction

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

The suggested strategy for 2023/2024 is set out below and is based upon the Director of Finance' views on interest rates, supplemented with leading market forecasts and other financial data available and advice provided by the Council's treasury adviser, Link Asset Services.

In December 2021 CIPFA issued a revised Treasury Management Code of Practice and Cross-Sectoral Guidance Notes, and a revised Prudential Code. In February 2018 DLUHC revised their Guidance on Local Government Investments and also their Statutory Guidance on Minimum Revenue Provision. A particular focus of these revised codes is how to deal with local authority investments which are non-treasury type investments e.g. by investing in a property portfolio in order to generate income for the authority at a higher level than can be attained by vanilla treasury investments. This report deals solely with financial investments managed by the Council's Treasury Management function. Non-treasury investments are covered in the Capital Strategy which was approved by Council in November 2022. This ensures the separation of the core treasury function where investments are made under security, liquidity and yield principles, and non-treasury commercial and strategic investments.

## 2. Treasury Management Strategy

### 2.1 Borrowing

#### 2.1.1 Current Treasury Management Position

The Council's treasury portfolio position at 31 <sup>st</sup> December 2022 comprised:	Principal (£m)	Total (£m)	Average Rate (%)
<b>Treasury external borrowing</b>			
Fixed Rate Funding PWLB	479.6		
Market	39.5		
Other	7.7	526.8	2.57
Variable Rate Funding Temporary / Other		27.6	1.99
<b>Total external borrowing</b>		<b>554.4</b>	<b>2.54</b>
<b>Total treasury investments</b>			
In house – short term		<b>264.9</b>	<b>2.07</b>
<b>Net treasury borrowing</b>		<b>289.5</b>	

The Council currently has a net deficit of £289.5m which represents the difference between gross debt and total investments and is significantly lower than the Council's capital financing requirement (capital borrowing need).

#### 2.1.2 Treasury Indicators and Limits

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

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

The "Affordable Borrowing Limit" comprises of the capital plans to be considered for inclusion in corporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is set, on a rolling basis, for the forthcoming financial year and two successive financial years and details can be found in Appendix 4 (P5) of this report. The Council is asked to approve these limits and to delegate authority to the Director of Finance, within the total limit for any individual year, to action

movement between the separately agreed limits for borrowing and other long-term liabilities where this would be appropriate. Any such changes made will be reported to Cabinet and the Council at their next meetings following the change.

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

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

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

The Bank of England's (BoE) Monetary Policy Committee (MPC) voted to raise the Base Rate for a ninth consecutive meeting on 15<sup>th</sup> December 2022, taking it to 3.5%, the highest level since November 2008. This reflects their commitment to combat inflationary pressures, even at the risk hampering growth, to ensure headline CPI inflation drops back to its 2% target over a three-year timeframe

Link Asset Services, the Council's treasury advisors, reviewed their interest rate forecasts in December 2022 in light of continued volatility in the financial markets. They believe the MPC will need to see stronger signs of activity slowing, the labour market loosening and wage growth slowing before stopping rate rises. They believe the Government's policy of emphasising fiscal rectitude will probably mean the Bank Rate will not need to increase beyond 4.50%, much less than the peak of 5.25% expected by the financial markets.

Link forecast the BoE Base Rate will rise to 4.00% in February 2023, 4.25% in March 2023 and peak at 4.50% in May 2023, before gradually falling to 2.50% by September 2025. These forecasts, and MPC decisions, will be liable to further amendment as updated economic data becomes available and emerging developments in the financial markets.



The following table shows the average PWLB rates for Quarters 1, 2 and 3 and the figures for Quarter 4 to 10<sup>th</sup> January 2023.

<b>2022/2023</b>	<b>Qtr 1* (Apr - Jun) %</b>	<b>Qtr 2* (Jul - Sep) %</b>	<b>Qtr 3* (Oct – Dec) %</b>	<b>Qtr 4* (rates to 10<sup>th</sup> Jan 2023) %</b>
SONIA Rate	0.89	1.55	2.75	3.42
1 year	2.32*	3.27*	4.16*	4.26*
5 year	2.58*	3.25*	4.38*	4.33*
10 year	2.84*	3.41*	4.44*	4.45*
25 year	3.08*	3.79*	4.67*	4.78*
50 year	2.81*	3.52*	4.20*	4.42*

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

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

<b>Date</b>	<b>Bank Rate %</b>	<b>PWLB Borrowing Rates (including certainty rate adjustment) %</b>		
		<b>5 year</b>	<b>25 year</b>	<b>50 year</b>
March 2023	4.25	4.20	4.60	4.30
June 2023	4.50	4.20	4.60	4.30
Sept 2023	4.50	4.10	4.50	4.20
Dec 2023	4.50	4.00	4.40	4.10
March 2024	4.00	3.90	4.20	3.90
June 2024	3.75	3.80	4.10	3.80
Sept 2024	3.50	3.60	4.00	3.70
Dec 2024	3.25	3.50	3.90	3.60
March 2025	3.00	3.40	3.70	3.50
June 2025	2.75	3.30	3.60	3.30
Sept 2025	2.50	3.20	3.50	3.20
Dec 2025	2.50	3.10	3.50	3.20

The main sensitivities of the forecasts in the UK are felt to be that the BoE acts too soon or too far over the next year in raising the Base Rate. This could hamper economic growth and not have the intended impact on inflation. The ongoing conflict between Russia and the Ukraine, heightened tensions between China, Taiwan and the United States and other geopolitical factors are likely to continue to have a global economic impact. A further concern is that significant issues remain unresolved over future UK/EU trade arrangements following Brexit and complications or lack of co-operation in discussions pose a threat.

#### 2.1.4 Borrowing Strategy

The Council's strategy for 2022/2023 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 3.0% for long-term borrowing was set considering the views prevalent at the time the Treasury Management policy was set in March 2022.

The basis of the proposed Borrowing Strategy for 2023/2024 is to:

- continuously monitor prevailing interest rates and forecasts;
- secure long-term funds to meet the Council’s future borrowing requirement when market conditions are considered favourable;
- current (January 2023) long-term PWLB rate (50 years) 4.17%. Forecast rates over the financial year 2023/2024 are 4.30% Q1, 4.20% Q2, 4.10% Q3 and 3.90% Q4. Should interest rates fall below these rates borrowing should be considered, with preference given to terms which ensure a balanced profile of debt maturity.

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

Due to the overall financial position and the underlying need to borrow for capital purposes (the Capital Financing Requirement – CFR), new borrowing of £50m was undertaken in August 2022 from the PWLB when there was a dip in rates to 2.79%.

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

The Council has seven market Lender’s Option / Borrower’s Option (LOBO) loans totalling £39.5 million. The lender has the option to alter the 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 two LOBOs that were subject to a potential rollover in 2022/2023. No changes to loan rates have been received and so these arrangements will continue.

<b>Roll Over Dates</b>	<b>Lender</b>	<b>Amount £m</b>	<b>Rate %</b>	<b>Roll Over Periods</b>
21/04/2022 and 21/10/2022	Barclays	5.0	4.50	Every 6 months
14/08/2022 and 14/02/2023	Barclays	5.0	4.45	Every 3 years
<b>Total</b>		<b>10.0</b>		

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

The Council's potential borrowing requirement is as follows:

		2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
1.	Capital Programme Borrowing	192.6	104.2	83.3	19.0
2.	Replacement borrowing (PWLB)	0.0	0.0	0.0	0.0
3.	Replacement LOBO	19.5	20.0	10.0	19.5
<b>TOTAL:</b>		<b>212.1</b>	<b>124.2</b>	<b>193.3</b>	<b>38.5</b>

The Council currently has net treasury borrowing of £289.5m which represents the difference between gross debt and total investments. This means that the capital borrowing need (the capital financing requirement) has not been fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. Consideration will be given to continue utilising some investment balances to fund the borrowing requirement in 2023/2024. This policy has served the Council well over the last few years as investment returns were low. As a result, the Council is currently maintaining an under-borrowed position. This position will be carefully reviewed to avoid incurring higher borrowing costs over the long term whilst ensuring that financing is available to support capital expenditure plans.

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

Benefits of having a high level of investments are:

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

Risks associated with holding a high level of investments are:

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

The Council has mitigated these risks by having a risk averse Treasury Management Investment Strategy and by detailed monitoring of counterparties

through its borrowing and investment strategies and treasury management working practices and procedures.

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

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

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

Taking into account potential market volatility and the advice of the Council's treasury adviser, alongside potential Bank of England base rate increases, a benchmark financing rate of 4.50% for any further long-term borrowing for 2023/2024 is considered to be appropriate.

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

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

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

#### **2.1.6 Debt Rescheduling**

The reasons for any rescheduling of debt will include:

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

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

replacement financing but this would only be the case where this would represent best value to the Council.

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

The Council 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 DLUHC Guidance on Local Government Investments ("the Guidance"), CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the CIPFA TM Code") consideration has also been given to the refreshed Code published in December 2021.

The DLUHC and CIPFA have extended the meaning of investments to include both financial and non-financial investments. This report deals solely with financial investments (as managed by the Council's Treasury Management function). Non-financial investments, essentially the purchase of income yielding assets, are covered within the Capital Strategy approved by Council in November 2022.

The Council's investment objectives are:

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

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

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

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

- apply minimum acceptable credit criteria (detailed in Annex B) in order to generate a list of highly creditworthy counterparties which also enables

diversification and thus avoidance of risk. The risk appetite of the Council is regarded as low in order to give priority to security of its investments;

- monitor credit ratings daily. The Council has access to all three credit ratings agencies and is alerted to changes through its use of Link Asset Services' counterparty service. If a counterparty's rating is downgraded with the result that it no longer meets the Council's minimum criteria, the Council will cease to place funds with that counterparty. If a counterparty's rating is downgraded with the result that their rating is still sufficient for the counterparty to remain on the Approved Lending List, then the counterparty's authorised investment limit will be reviewed accordingly. A downgraded credit rating may result in the lowering of the counterparty's investment limit and vice versa;
- not use ratings as the sole determinant of the quality of an institution. The Council will continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to monitor market pricing such as "credit default swaps" and overlay that information on top of the credit ratings provided;
- use other information source including the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties;
- define the type of investment instrument that the treasury management team are authorised to use. The Council is allowed to invest in two types of investment, namely Specified Investments and Non-Specified Investments:
  - Specified Investments are sterling investments that are for a period of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are placed with high rated counterparties and are considered low risk assets where the possibility of loss of principal or investment income is small. Within these bodies and in accordance with the Code, the Council has set additional criteria to limit the time and amount of monies that will be invested with these bodies;
  - Non-Specified Investments are any investments which are not classified as Specified Investments. As the Council only uses investment grade high credit rated counterparties for treasury management investments this means in effect that any investments placed with those counterparties for a period over one year will be classed as Non-Specified Investments. A limit on the amount of investments which are can be invested for longer than 365 days is set in the Council's creditworthiness policy. 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 DLUHC concluded a consultation for a temporary override to allow English Local Authorities time to adjust their portfolio of all pooled investments by announcing a statutory override for five years ending 31<sup>st</sup> March 2023.

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

### **2.2.2 Creditworthiness policy**

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

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

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

While the Council understands changes that have taken place to reduce ratings, it will specify a minimum sovereign rating of AA-. This is due to the fact that the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution. It is important to stress the ongoing regulatory changes made in the UK and the rest of Europe are designed to make the financial system sounder. Banks are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support. In many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now.

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

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

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

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

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

Based on its cash flow forecasts, the Council anticipates its fund balances in 2023/2024 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 2022/2023 some investment balances have been used to fund borrowing requirements. It is likely that this will continue into 2023/2024 with investment



balances being used to fund some borrowing or used for debt rescheduling. Such funding is wholly dependent upon market conditions and will be assessed and reported to Cabinet if and when the appropriate conditions arise.

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

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

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

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

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

The Council is not committed to any investments which are due to commence in 2023/2024 (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 2022/2023 the Council did not employ any external fund managers; all funds being managed by the in-house team. The performance of the fund by the in-house team is shown below compared with the benchmark SONIA (Sterling Overnight Index Average) rate and with the relevant benchmarks and performance from the previous year:

	<b>2021/22 Benchmark</b>	<b>2021/22 Return</b>	<b>To date 2022/23 Benchmark</b>	<b>To date 2022/23</b>
<b>Return</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Council	0.14	0.22	1.74	2.07

During 2023/2024 the Council will continue to review the optimum arrangements for the investment of its funds whilst fully observing the investment strategy in place. The Council uses the Sterling Overnight Index Average (SONIA) rate as a benchmark for its investments. Performance is above the benchmark rate, whilst still adhering to the prudent policy agreed by the Council, in what remains a very turbulent market. The Council's treasury management advisor reports the rate of return achieved compares favourably with their other local authority clients.

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

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

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

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

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

#### **2.2.5 Non - Treasury Investments**

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

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

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

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

Cabinet at its January 2023 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.

The Council's approach to non-treasury investments is covered within the Capital Strategy approved by Council in November 2022 and complies with the guidance that Local Authorities will not use PWLB borrowing primarily for yield.

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

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

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

<b>Area of Responsibility</b>	<b>Council/ Committee/ Officer</b>	<b>Frequency</b>
Treasury Management Policy Statement	Full Council	Reaffirmed annually and updated as appropriate
Treasury Management Strategy / Annual Investment Strategy	Full Council	Annually before the start of the year
Treasury Management Strategy / Annual Investment Strategy –updates or revisions at other times	Full Council	As appropriate
Treasury Management Monitoring Reports	Director of Finance	Monthly
Treasury Management Practices	Director of Finance	Annually

<b>Area of Responsibility</b>	<b>Council/ Committee/ Officer</b>	<b>Frequency</b>
Scrutiny of Treasury Management Strategy	Cabinet / Audit and Governance Committee	Annually before Full Council
Scrutiny of Treasury Management Performance	Cabinet / Audit and Governance Committee	Quarterly
Annual Treasury Management Outturn Report	Cabinet / Audit and Governance Committee	Annually by 30 September after the end of the financial year

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

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

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

**1. Interest Rate Forecasts**

- 1.1 The data set out overleaf shows a variety of forecasts published by Link Asset Services and Capital Economics (an independent forecasting consultancy). PWLB forecasts shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012. There are no changes to these forecasts as at 6<sup>th</sup> January 2023.
- 1.2 The forecast within this strategy statement has been drawn from these diverse sources and officers' own views.

# ECONOMIC FORECASTS

## LINK GROUP – DECEMBER 2022

	End Q1 2023	End Q2 2023	End Q3 2023	End Q4 2023	End Q1 2024	End Q2 2024	End Q3 2024	End Q4 2024	End Q1 2025	End Q2 2025	End Q3 2025	End Q4 2025
Bank Rate	4.25%	4.50%	4.50%	4.50%	4.00%	3.75%	3.50%	3.25%	3.00%	2.75%	2.50%	2.50%
5yr PWLB Rate	4.20%	4.20%	4.10%	4.00%	3.90%	3.80%	3.60%	3.50%	3.40%	3.30%	3.20%	3.10%
10yr PWLB Rate	4.40%	4.40%	4.30%	4.10%	4.00%	3.90%	3.80%	3.60%	3.50%	3.40%	3.30%	3.30%
25yr PWLB Rate	4.60%	4.60%	4.50%	4.40%	4.20%	4.10%	4.00%	3.90%	3.70%	3.60%	3.50%	3.50%
50yr PWLB Rate	4.30%	4.30%	4.20%	4.10%	3.90%	3.80%	3.70%	3.60%	3.50%	3.30%	3.20%	3.20%

## CAPITAL ECONOMICS – DECEMBER 2022

	End Q1 2023	End Q2 2023	End Q3 2023	End Q4 2023	End Q1 2024	End Q2 2024	End Q3 2024	End Q4 2024
Bank Rate	4.50%	4.50%	4.50%	4.50%	4.25%	4.00%	3.50%	3.00%
5yr PWLB Rate	4.00%	3.80%	3.70%	3.50%	3.50%	3.40%	3.30%	3.30%
10yr PWLB Rate	4.00%	3.80%	3.70%	3.60%	3.50%	3.40%	3.40%	3.30%
25yr PWLB Rate	4.40%	4.20%	4.00%	3.80%	3.80%	3.70%	3.60%	3.60%
50yr PWLB Rate	4.10%	4.00%	3.90%	3.80%	3.80%	3.70%	3.60%	3.60%

## 2. Survey of Economic Forecasts

### 2.1 HM Treasury November 2022

The current 2022 base rate forecasts are based on samples of both City and non-City forecasters included in the HM Treasury November 2022 report.

BANK RATE FORECASTS	Annual Average Bank Rate				
	Ave. 2022	Ave. 2023	Ave. 2024	Ave. 2025	Ave. 2026
Average	1.65%	4.11%	3.94%	3.35%	3.00%
Highest	2.00%	4.80%	5.50%	5.60%	5.40%
Lowest	0.72%	1.09%	1.22%	1.35%	1.48%

Source: HM Treasury: Forecasts for the UK Economy Nov. 2022 (No.424, Table M4)

## Lending List Criteria

### 1. Counterparty Criteria

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

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

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

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



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

## 2. Country Limit

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

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

Country	Limit £m
UK	300
Non-UK	50

## 3. Sector Limit

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

Sector	Limit £m
Central Government	300
Local Government	300
UK Banks	300
Money Market Funds	250
UK Building Societies	100
Foreign Banks	50

## 4. Group Limit

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

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

4.2 Proposed group limits are set out in Annex C.

## Approved Lending List

	Fitch		Moody's		Standard & Poor's		Limit £m	Max Deposit Period
	L Term	S Term	L Term	S Term	L Term	S Term		
<b>UK</b>	AA-		Aa3		AA		300	
<b>Lloyds Banking Group</b>							Group 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	65	365 days
Bank of Scotland Plc (RFB)	A+	F1	A1	P-1	A+	A-1	70	365 days
<b>Royal Bank of Scotland Group</b> (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	A1	P-1	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	A3	P-2	A-	A-2	50	365 days
Co-Operative Bank Plc **	B+	B	Ba1	NP	-	-	0	
Goldman Sachs International Bank	A+	F1	A1	P-1	A+	A-1	70	365 days
HSBC Bank plc (NRFB)	AA-	F1+	A1	P-1	A+	A-1	70	365 days
HSBC UK Bank plc (RFB)	AA-	F1+	A1	P-1	A+	A-1	70	365 days
Nationwide BS	A	F1	A1	P-1	A+	A-1	65	365 days
Standard Chartered Bank	A+	F1	A1	P-1	A+	A-1	70	365 days
Close Brothers Ltd	A-	F2	Aa3	P-1	-	-	50	365 days

SMBC Bank International Ltd	A-	F1	A1	P-1	A	A-1	50	365 days
Top Building Societies (by asset value)								
Nationwide BS (see above)								
Coventry BS	A-	F1	A2	P-1			50	365 days
Leeds BS	A-	F1	A3	P-2	-	-	50	365 days
Principality BS **	BBB+	F2	Baa2	P-2	-	-	0	
Skipton BS	A-	F1	A2	P-1	-	-	50	365 days
West Bromwich BS **			Ba3	NP	-	-	0	
Yorkshire BS	A-	F1	A3	P-2	-	-	50	365 days
<b>Money Market Funds</b>							250	Liquid
Prime Rate Stirling Liquidity	AAA		AAA		AAA		50	Liquid
Insight Liquidity Fund	AAA		-		AAA		50	Liquid
Aberdeen Liquidity Fund (Lux)	AAA				AAA		50	Liquid
Deutsche Managed Sterling Fund			Aaa		AAA		50	Liquid
Foreign Banks have a combined total limit of £50m								
<b>Australia</b>	AAA		Aaa		AAA		50	
Australia and New Zealand Banking Group Ltd	A+	F1	Aa3	P-1	AA-	A-1+	50	365 days
Commonwealth Bank of Australia	A+	F1	Aa3	P-1	AA-	A-1+	50	365 days
National Australia Bank	A+	F1	Aa3	P-1	AA-	A-1+	50	365 days
Westpac Banking Corporation	A+	F1	Aa3	P-1	AA-	A-1+	50	365 days
<b>Canada</b>	AA+		Aaa		AAA		50	
Bank of Nova Scotia	AA-	F1+	Aa2	P-1	A+	A-1	50	365 days
Royal Bank of Canada	AA-	F1+	Aa1	P-1	AA-	A-1+	50	2 years
Toronto Dominion Bank	AA-	F1+	Aa1	P-1	AA-	A-1+	50	2 years
<b>Denmark</b>	AAA		Aaa		AAA		50	
Danske A/S	A	F1	A2	P-1	A+	A-1	50	365 days
<b>Finland</b>	AA+		Aa1		AA+		50	
OP Corporate Bank plc	WD	WD	Aa3	P-1	AA-	A-1+	50	2 years
<b>Germany</b>	AAA		Aaa		AAA		50	

DZ Bank AG (Deutsche Zentral- Genossenschaftsbank )	AA-	F1+	Aa2	P-1	A+	A-1	50	365 days
Landwirtschaftliche Rentenbank	AAA	F1+	Aaa	P-1	AAA	A-1+	50	2 years
NRW Bank	AAA	F1+	Aa1	P-1	AA	A-1+	50	2 years
<b>Netherlands</b>	AAA		Aaa		AAA		50	
Bank Nederlandse Gemeenten	AAA	F1+	Aaa	P-1	AAA	A-1+	50	2 years
Cooperatieve Rabobank U.A.	A+	F1	Aa2	P-1	A+	A-1	50	365 days
Nederlandse Waterschapsbank NV			Aaa	P-1	AAA	A-1+	50	2 years
<b>Singapore</b>	AAA		Aaa		AAA		50	
DBS Bank Ltd	AA-	F1+	Aa1	P-1	AA-	A-1+	50	2 years
Oversea Chinese Banking Corporation Ltd	AA-	F1+	Aa1	P-1	AA-	A-1+	50	2 years
United Overseas Bank Ltd	AA-	F1+	Aa1	P-1	AA-	A-1+	50	2 years
<b>Sweden</b>	AAA		Aaa		AAA		50	
Svenska Handelsbanken AB	AA	F1+	Aa2	P-1	AA-	A-1+	50	2 years
<b>Switzerland</b>	AAA		Aaa		AAA		50	
Credit Suisse AG	BBB+	F2	<b>A3</b>	<b>P-2</b>	<b>A-</b>	<b>A-</b>	0	
UBS AG	AA-	F1+	Aa2	P-1	A+	A-1	50	365 days
<b>USA</b>	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

RFB – Ringfenced Bank, NRFB – Non-Ringfenced Bank

## Strategic Partners

Cabinet at its January 2023 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.



CABINET

2 FEBRUARY 2023

**REVENUE BUDGET AND PROPOSED COUNCIL TAX FOR 2023/2024 AND MEDIUM TERM FINANCIAL PLAN 2023/2024 TO 2026/2027**

**Report of the Director of Finance**

**1. Purpose of Report**

1.1 The purpose of the report is to set out:

- the overall revenue budget position for 2023/2024 including the proposed council tax;
- the projected reserves position as at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2024 and advise on their sufficiency;
- a risk analysis of the Revenue Budget 2023/2024;
- a summary of the emerging medium term financial position facing the Council from 2023/2024 to 2026/2027 and associated Council Efficiency strategy;
- any views received from residents, the local Business Sector, Trade Unions, Schools Forum and Scrutiny Coordinating Committee; and
- the updated City Plan 2023-35 including the indicative timeline.

**2. Description of Decision**

2.1 Cabinet is requested to:

- recommend to Council the proposals set out in the report including the proposed Revenue Budget for 2023/2024 set out at Appendix J;
- recommend to Council the Medium Term Financial Plan 2023/2024 to 2026/2027 including Efficiency Strategy as set out in Appendix G and the potential use of Capital Receipts Flexibility set out at section 9 of the report;
- recommend to Council the proposed council tax for 2023/2024 and more detailed recommendations set out at Appendix F alongside agreeing the other recommendations within Appendix F;
- note the views, expressed by residents, the local Business Sector, Trade Unions and Scrutiny Coordinating Committee; and
- recommend to Council the adoption of the updated City Plan 2023-35 including the indicative timeline.

**3. Introduction**

3.1 In January 2023 Cabinet received an update on the budget position following the Provisional Local Government Finance Settlement 2023/2024. At that stage there were a number of uncertainties still to be resolved, primarily:

- the outcome of the final Local Government Revenue Support Grant Settlement for 2022/2023 and additional grant announcements;
- the estimation of business rates resources;
- the final forecast collection fund position for both council tax and business rates;
- confirmation of the 2023/2024 local government pay awards;
- inherent uncertainty and risk around deliverability of the savings proposals, and any transitional costs required in their delivery.

3.2 In presenting the Revenue Budget 2023/2024 this report covers the following areas:

- Final funding position at February 2023 (section 4);
- Spending Pressures and Commitments (section 5);
- Budget Reduction Proposals (section 6);
- Proposed Increase to Council Tax (section 7);
- Overall Budget Position 2023/2024 (section 8);
- Workforce Planning, Transformational costs and Capital Receipts Flexibilities (section 9);
- Medium Term Financial Position and associated Efficiency Strategy (section 10);
- Budget Consultation (section 11);
- Equality and the Budget Proposals (section 12);
- Balances and Reserves (section 13); and
- Detailed Revenue Budget 2023/2024 (section 14).

3.3 Taking account of the above, Cabinet is asked to consider the final budget proposals and detailed revenue budget as set out in Appendix J, including the proposed use of balances and the position in relation to major reserves, for recommendation to Council.

#### **4. Final Funding Position February 2023**

4.1 The January 2023 Cabinet report set out the provisional local government finance settlement for the Council and progress in relation to several outstanding uncertainties.

4.2 The final local government finance settlement, at the time of writing this report is yet to be received. Should the final settlement contain any revisions to the draft settlement or forecasts assumed within the budget presented in the report, these will be considered at the time of the first quarterly revenue review.

4.3 Further information about the grant changes in accordance with the provisional local government finance settlement is set out below, while section 5 sets out the final spending pressures and commitments to be taken into account in setting the budget for 2023/2024.

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

4.4 The Council awaits notification of the final local government finance settlement from the Government. Any changes required following receipt of the final settlement will be considered at the time of the first quarterly revenue review. As such there is currently no change to the position set out in the January Cabinet report.

4.5 The Government uses a measure known as the Core Spending Power (CSP) to indicate the impact of changes in funding. For 2023/2024, this measure includes:

- Settlement Funding Assessment (SFA) comprising:
  - Revenue Support Grant (RSG);
  - Baseline Funding (Top Up Grant); and
  - Assumed Retained Business Rates.
- Compensation for the under-indexing of the Business Rates Multiplier;
- Council Tax Income, which the Government assumes a 4.99% increase is applied in addition to additional income from growth in the council tax base;



- Local Government element of the Improved Better Care Fund;
- New Homes Bonus;
- Social Care Grant;
- ASC Market Sustainability and Improvement Fund;
- ASC Discharge Fund; and
- Services Grant.

4.6 CSP will increase by an average 9.17% nationally in 2023/2024. For Sunderland the increase is 10.69% (based upon a Government assumed council tax increase of 4.99%) as shown in the table below. As noted, nationally 38% of this increased spending power is assumed from Council Tax rises. Given Sunderland's relatively lower Council Tax base this proportion is much lower, at 21.8%.

	2022/23	2023/24	change	change
	£m	£m	£m	%
Settlement Funding Assessment	114.844	121.554	6.710	5.84%
Compensation for under-indexing Business Rates Multiplier (Section 31 Grant)	8.776	15.174	6.398	72.90%
Council Tax Requirement excluding parish precepts	114.706	121.365	6.659	5.81%
Improved Better Care Fund	18.684	18.684	0.000	0.00%
New Homes Bonus	1.842	1.183	-0.659	-35.78%
Social Care Grant	18.586	29.337	10.751	57.84%
Market Sustainability and Fair Cost of Care Fund	1.058	0.000	-1.058	-100.00%
Market Sustainability and Improvement Grant	0.000	3.671	3.671	100.00%
ASC Discharge Grant	0.000	2.619	2.619	100.00%
Lower Tier Services Grant	0.525	0.000	-0.525	-100.00%
Services Grant	5.920	3.336	-2.584	-43.65%
Grants rolled in	1.373	0.000	-1.373	-100.00%
<b>Sunderland Total Core Spending Power</b>	<b>286.314</b>	<b>316.923</b>	<b>30.609</b>	<b>10.69%</b>
<i>Memorandum National Position</i>				9.17%

4.7 For Sunderland there is a 5.84% increase in SFA for 2023/2024. The relatively low percentage increase is as a result of the continued business rates multiplier freeze for 2023/2024 for which councils are compensated through Section 31 grant funding. Although the Section 31 grant compensation is part of the Council's CSP, it is outside of the SFA element of funding. It should be noted that actual business rates received will be dependent on the Council's own position which will be confirmed within the National Non-Domestic Rates ('NNDR') statistical collection Form 1 (budget forecast). The increase in Revenue Support Grant is in line with inflation and is further increased as the previously separate grants for Family Annex Council Tax Discount Grant, Local Council Tax Support Administration Subsidy Grant and Food Safety Enforcement Grant have been merged in to RSG from 2023/2024.

4.8 The Government will continue to compensate councils for any changes to nationally determined reliefs allowed for in the Business Rate regime. The Government have confirmed further business rate support for the retail, hospitality and leisure sectors in 2023/2024 in response to the ongoing impact of the cost of living crisis. The CSP includes an assumed allocation of £15.174m Section 31 grant in 2023/2024, with the actual figure received dependent on the Council's own NNDR position confirmed within the NNDR1 form submitted by 31 January 2023 which includes the value of any additional business rates reliefs funded by the Government.

#### 4.9 Improved Better Care Fund

The Improved Better Care Fund (IBCF) 2023/2024 allocation has been frozen at the 2022/2023 level. This is in line with budget planning forecasts.

#### 4.10 New Homes Bonus (NHB)

The national quantum of funding available for NHB has been reduced by £264m, to £291m for 2023/2024. The funding removed from this budget area has been utilised by Government to fund increases elsewhere in the provisional settlement. Sunderland's allocation of NHB has reduced from £1.842m in 2022/2023 down to £1.183m in 2023/2024. Given the potential phasing out of this grant implied by the latest settlement and the Government's intention to consult on NHB during 2023/2024, future years' assumed allocations have been prudently removed from budget planning from 2024/2025.

#### 4.11 Social Care Grant

As anticipated, Social Care Grant allocations from prior years have been maintained. In addition to this, a significant proportion of the increased investment into local government announced in the Chancellor's Autumn Statement has been directed towards Social Care, namely:

- Social Care Grant - Repurposing of funding previously earmarked by the Government for Social Care Charging Reforms of £1.346 bn nationally in 2023/2024 and a further £0.612 billion in 2024/2025. The Chancellor announced the postponement of the Social Care reforms plans from October 2023 to October 2025. The earmarked funding to implement a care cost cap and increase the upper capital limit for accessing care, is now being released to allow councils to meet their mounting financial pressures in both adults and children's social care delivery. It is unclear how the reforms, which have been delayed until October 2025, will subsequently be funded.

From this allocation Sunderland will receive additional funding of £9.936m in 2023/2024, budget planning has been updated accordingly. The previously separate, Independent Living Grant (£815,000) has now been merged into this allocation from 2023/2024.

- ASC Market Sustainability and Improvement Fund – additional national allocation of £0.400bn in 2023/2024 (a further £0.282bn in 2024/2025). The Government expects this new grant funding will “enable Councils to make tangible improvements to adult social care and, in particular, to address discharge delays, social care waiting times, low fee rates, workforce pressures, and to promote technological innovation in the sector”.

From this allocation Sunderland will receive additional funding of £2.613m in 2023/2024, budget planning has been updated accordingly.

- ASC Discharge Fund – New national allocation of £0.3bn in 2023/2024 (a further £0.2bn in 2024/2025) will be distributed to councils to help “ensure

those people who need to draw on social care when they are discharged from hospital can leave as soon as possible, freeing up hospital beds for those who most need them”.

From this allocation Sunderland will receive additional funding of £2.619m in 2023/2024 which must be pooled with existing iBCF funding - budget planning has been updated accordingly.

These grants will support the specific rising cost pressures on adults and children's social care as noted in prior reports, and also in paragraphs 5.15 to 5.19 below. Details of any conditions and additional reporting requirements are awaited.

#### 4.12 Lower Tier Services Grant

The Lower Tier Services unringfenced grant was introduced in 2021/2022 with £111m allocated to councils with responsibility for services such as homelessness, planning, recycling and refuse collection and leisure services. In 2022/2023 Sunderland's allocation was £0.525m. This grant has been abolished from 2023/2024 to fund increases elsewhere in the settlement. Budget planning has been updated from 2023/2024 to reflect the loss of this grant.

#### 4.13 Services Grant

In recognition of the service delivery cost pressures facing councils, a new Services Grant totalling £822m nationally was announced for 2022/2023. This national grant allocation has been significantly reduced in 2023/2024, beyond that assumed in relation to the cost of the abolished national insurance contributions for social care, to fund increases elsewhere in the settlement. Sunderland's allocation has reduced from £5.920m in 2022/2023 down to £3.336m in 2023/2024 - budget planning has been updated accordingly

#### Funding Outside of Core Spending Power

#### 4.14 Public Health Grant

At the time of writing, the allocation for the Public Health grant remains outstanding. The 2021 Spending review did indicate Public Health grant funding will be maintained in real terms, indicating an inflationary based increase. The budget planning will be updated as required when the final grant allocation for 2023/2024 is known.

#### 4.15 Housing Benefit and Council Tax Administration Grants

Similarly, the allocation for the Housing Benefit and Council Tax Administration Grants have yet to be notified. Financial planning assumes a freeze in this funding stream. The budget planning will be updated as required when the final grant allocation for 2023/2024 is known.

## **Council Tax**

- 4.16 In accordance with the Localism Act the public have the right to approve or veto excessive council tax rises. The Government have proposed that a referendum principle will apply to all principal local authorities, Police and Crime Commissioners and Fire and Rescue Authorities.
- 4.17 In the provisional settlement, the Government confirmed the referendum threshold for 2023/2024, being that the core element is subject to a maximum increase of up to 3%. In addition, Social Care authorities can levy an additional 2% in respect of the social care precept. Any increase above the council tax limit will require a referendum to give the local electorate the opportunity to approve or veto the increase.
- 4.18 The 2022/2023 Council Tax Collection Fund position is reported elsewhere on this agenda. When setting the forecast council tax position for 2022/2023 the continuation of the Covid-19 pandemic, led to a reduced council tax income assumption for the year. The actual council tax collection was better than anticipated resulting in a forecast in-year surplus for the Council of £1.493m, which will be released from the collection fund to support the Council's budget position in 2023/2024. In addition, the variance from forecast and actual position of £0.128m for 2021/2022 will also be released to the budget position in 2023/2024 as a one-off benefit. This impact has been reflected in the 2023/2024 budget and the Medium Term Financial Plan (MTFP).
- 4.19 Full Council, at its meeting on 25<sup>th</sup> January 2023, approved the council tax base for the area covered by Hetton Town Council (4,185) and the City Council area (73,619). The base has increased from 2022/2023 primarily due to an anticipated reduced uptake of the Local Council Tax Support Scheme and also increases in house building across the city.
- 4.20 The Government has announced £100 million of additional funding for local authorities to support the most vulnerable households in England with their council tax bills. This funding will allow councils to deliver additional support to households already receiving Council Tax support, whilst also providing councils with the resources and flexibility to determine the local approaches to support other vulnerable households in their area. The Council has been allocated £819,369 and the Government has specified that support of £25 must be applied to households currently receiving council tax support with their council tax bills. Any remaining funding can be used to support other households with their council tax bills – these households could include those that become eligible for council tax support during the year or those in receipt of welfare support – again the support is limited to £25.

## **Retained Business Rates**

- 4.21 The NNDR 1 form sets out the Business Rate income forecast for 2023/2024 and is to be submitted to the Government by 31<sup>st</sup> January 2023 in accordance with regulations. The amount of business rates to be retained by the Council for 2023/2024 is forecast to be £46.925m, this amount has been reduced by £3.546m, due to the Retail, Hospitality & Leisure reliefs grant for 2023/2024, for which the Council will be fully compensated through an increased Section 31 grant from the Government.

## Schools' Funding

- 4.22 The Schools' Funding announcement on 16<sup>th</sup> December 2022 confirmed the following information based on the October Schools' Census data. The change from the provisional funding allocation to the settlement information reflects changes in pupil numbers from October 2021 to October 2022:

	<b>Provisional Allocations 2023/24</b>	<b>16-Dec Settlement 2023/24</b>	<b>Change in Funding 2023/24</b>
	£m	£m	£m
Schools	200.09	201.53	1.44
School-Growth Fund	*N/A	0.99	0.99
Schools Additional Grant		7.10	7.10
Central Services	1.39	1.41	0.02
High Needs	40.36	40.80	0.44
High Needs Additional Grant		1.84	1.84
Early Years	*N/A	20.57	N/A
<b>Total</b>	<b>241.84</b>	<b>274.24</b>	<b>11.83</b>

\* Provisional Schools Block allocation excludes Growth Funding and Early Years

- 4.23 The Early Years Block comprises funding for the free early education entitlements for 3 and 4-year-olds and disadvantaged 2-year-olds. The figures are initial allocations for this block as early years funding is based on the January 2023 census data.
- 4.24 Cabinet agreed in January to the principles proposed by the Sunderland Schools Forum for the 2023/2024 Sunderland local funding formula. The National Funding Formula (NFF) is to be implemented with the following local adjustments, which were modelled so as to give an equitable settlement to all Sunderland schools whilst moving towards the NFF:
- The Basic Entitlements set at Primary £3,335.78, Key Stage 3 £4,716.96, Key Stage 4 £5,320.67; and
  - Transfer of 0.5% (£1,012,591) to the High Needs Block in recognition of ongoing pressures.

Sunderland is deemed to be at Full NFF as all factors are within the NFF allowable parameters.

- 4.25 The Local Funding Formula was submitted to the Education and Skills Funding Agency on 20 January 2023.

## 5 Spending Pressures and Commitments 2023/2024

- 5.1 When the Budget Planning Framework was approved in October 2022 and subsequently updated in December 2022 and January 2023, Cabinet agreed that the following spending commitments would be taken into account:
- provision in respect of pay awards and employer national insurance contribution increases;

- general contract inflation, including the likely impact on contract prices of the forecast increase in the National Living Wage;
- appropriate provision for ongoing budget pressures including the impact of the cost of living crisis;
- the impact of demographic changes, complex needs and cost pressures in respect of adult social care;
- the impact of demand and costs pressures within children’s social care;
- transport levy contributions;
- funding to meet additional priorities, and
- provision for spending commitments in respect of debt charges and interest receipts.

5.2 In this context it is proposed to make provision to address a number of spending commitments and pressures as set out below.

### **Cross Cutting**

#### 5.3 Pay award

At this stage, the pay award for 2023/2024 is not yet agreed. Given the on-going high levels of inflation, current budget planning incorporates provision for a 5% pay award in 2023/2024, then reducing to 2% for 2024/2025 and future years, aligned with the period that inflation is set to significantly fall. As most pay budgets now reflect provision for “top of the grade”, no provision is set aside for pay increments.

#### 5.4 Employer National Insurance Contributions

In September 2022 the Government announced the reversal of the newly introduced 1.25% increase in Employer’s National Insurance contribution rate. The reversal was for both the employee and employer elements of national insurance and took effect from 6th November 2022. The full year saving impact of this change for the Council and its wholly owned companies is £1.293m. This has been reflected in the budget position.

#### 5.5 General Contract Inflationary Increases

There is upward cost pressure on the Council’s services due to the impact on general costs and contracts as a result of escalating inflation. Current CPI inflation of 10.5% (December 2022) is expected to remain at historically higher levels throughout much of 2023, before falling to the 2% target at the end of 2024.

Provision is included within the budget for the impact of general contract inflation, including on contracts, any impact of the National Living Wage and significantly the Council’s commitment to the Real Living Wage for contractors. This includes contract inflation for both Sunderland Care and Support (SCAS) and Together for Children (TfC), the costs of which fall on the Council’s general fund.

Provision for inflationary increases where appropriate in discretionary fees and charges has been included within budget planning. An updated schedule of fees and charges for 2023/2024 will be published prior to 30 September 2023 in line with the fees and charges policy.

#### 5.6 Energy

The unprecedented escalation of energy prices is having a significant impact on residents, businesses and public bodies. The Council has experienced a doubling of energy costs in the last year with further increases expected during 2023/2024. The

Government's support to non-domestic users announced on 21<sup>st</sup> September provides guaranteed relief for a 6 month period (1<sup>st</sup> October 2022 to 31<sup>st</sup> March 2023). On 9<sup>th</sup> January 2023 the Government announced an amended scheme through to 31<sup>st</sup> March 2024 but at a much lower level of support and based upon applying a discount to wholesale costs. Whilst public sector organisations are eligible for this new scheme, based upon an initial high level assessment it is unlikely that any financial support will be received to reduce the current forecast energy costs included within the 2023/2024 budget and therefore the full and significant energy cost increases have been included in the budget.

#### 5.7 Transport Levy

Uncertainty remains about the eligibility for energy support for local transport, notably the Metro system which is facing significant cost pressures from significantly escalated electricity prices. Financial planning has been updated to meet a potential increase in the Council's Transport Levy contribution for 2023/2024, which is consistent with the Joint Transport Committee's budget proposals if the Department for Transport do not provide sufficient funding for the Metro cost pressures. At the time of writing the Transport Levy is still to be agreed by the Joint Transport Committee.

#### 5.8 Budget Pressures and New Spending Priorities

Based on the third quarter revenue budget monitoring position, including the delivery of savings proposals, appropriate provision has been made for ongoing budget pressures, outside of social care budgets for which further funding has been provided.

### **Deputy Leader**

#### 5.9 Pest Control Services

The Council's current commitment is to provide pest control services to Sunderland residents free of charge until the end of March 2023. £0.380m of funding will be provided to allow this service to continue to be used free of charge by residents in 2023/2024 and future years.

#### 5.10 Residential Bin Replacements

£0.250m of funding will be provided to allow free wheelie bin replacements to residents for stolen bins in 2023/2024 and future years.

#### 5.11 Bulky Waste

£0.410m of funding will be provided to enable residents to access a free of charge Bulky Waste collection service in 2023/2024 and future years.

In addition to the above, a city wide strategy for the use of CCTV within the city is being developed with a full review of the current provision. Once considered and approved by Cabinet, any investment requirement will be considered during 2023/2024.

### **Cabinet Secretary**

#### 5.12 Capital Financing / Debt Charge Pressures

The Council continues to be ambitious and investing in the city is a key element of the City Plan. It is important that the capital programme is affordable, and that the ongoing

costs of funding capital activity are included in the revenue budget. The required provision to support the proposed Capital Programme for 2023/2024 through to 2026/2027 has been factored in to the 2023/2024 budget and MTFP.

#### 5.13 External Audit Fees

The renewal of the Council's external audit provider is required for the 5 year period from 2023/2024. As in previous years the procurement process is managed by the Public Sector Audit Appointments body. Given the delivery issues currently within the audit sector nationally, significant fee increases from all tendering firms have been made for all councils. Additional budget provision of £0.180m has been added to the budget from 2023/2024.

#### 5.14 Pensions

Following the conclusion of the Tyne and Wear Pension Fund triennial review, the fund position is more favourable than had prudently been provided for within the Council's budget planning. The £2.000m provision for a potential increase from 2023/2024 has now been removed from the budget planning in that year but has been included as a potential cost pressure in 2026/2027 when the next review will take place.

### **Children Learning and Skills**

#### 5.15 Inflationary increase

The contract price agreed for the provision of children's services by Together for Children (TfC) includes provision for annual inflationary increases for which provision has been included within the budget planning.

#### 5.16 Demand and Cost Pressures - TfC

Despite a reducing number of cared for children, the increasing complexity of children's needs and finite capacity in the residential market is leading to higher prices being charged for accommodation. These in-year pressures are expected to grow in 2023/2024 due to the forecast continuation of elevated inflationary levels. In addition the national pressure on Home to School Transport post Covid, is being acutely felt in Sunderland with these in-year pressures also forecast to continue.

5.17 Given the above inflationary and demand led pressures additional budget provision for TfC of £9.461m has been included in the budget from 2023/2024. Separately, following a full review by TfC a £5.365m budget reduction is supported by further transformational changes in service delivery, cost avoidance and income generation.

### **Healthy City**

#### 5.18 Adults Social Care Demand Pressures

Pressures in both the NHS and Adult Social Care continue with the number of older people requiring care increasing. In Sunderland, it is forecast that the number of older people aged 65 years and over will rise from around 55,300 in 2020 to 69,500 by 2040 (an increase of 26%) and the number of people aged 85 years and over (i.e. those generally with the greatest care needs) is forecast to rise from around 6,300 in 2020 to



10,000 in 2040 (an increase of 59%). This gives a sense of the mounting pressure that Sunderland's ageing population is likely to have on the delivery of Adult Social Care.

The increasing longevity of the population continues to place a significant pressure on Adult Social Care budgets. In addition, client expectations and increasing demand to support clients with complex needs to enable them to maintain independent living requires reconfigured services and additional investment. The Council and its NHS partners are working together to integrate health and care and to develop plans collectively to enable the organisations to achieve more than they can individually to improve health and care outcomes and reduce health inequalities in Sunderland.

Demand for social care packages to support hospital discharges has increased significantly due to the Covid-19 pandemic, and this is likely to continue given the national focus on delayed transfers of care and the Council's aim to maintain its high level of performance.

Provision for additional increased Adult Social Care of £7.750m relating to demand has been included in the 2022/2023 budget and will be kept under review.

#### 5.19 Adult Social Care Inflationary increases

The inflationary pressure on the care home sector continues to rise, linked to staff costs, staff retention, utilities, supplies, food and ongoing covid compliance arrangements. An assessment has indicated further funding will be needed to meet pressures in 2023/2024.

The National Living Wage represents a significant cost pressure for local authorities as service providers, particularly in the social care sector, endeavour to recover the impact of these increased costs through annual inflationary uplifts to contract prices.

Additional provision of £4.694m has been added to 2023/2024 budget, with further provision held in contingency should inflationary pressures surpass this level.

### Spending Pressures and Commitments Summary

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

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
<b>Spending Pressures and Commitments</b>					
Pay	14.652	3.938	4.060	4.170	<b>26.820</b>
Energy	5.566	0.500	0.500	0.500	<b>7.066</b>
Other Price and Contract Inflation (inc.Social Care)	18.338	8.020	8.711	6.465	<b>41.534</b>
Social Care Demand Pressures	9.084	1.119	1.500	1.500	<b>13.203</b>
Transport Levy	0.711	0.600	0.500	0.500	<b>2.311</b>
Pest Control	0.380	0.000	0.000	0.000	<b>0.380</b>
Free Bin replacments	0.250	0.000	0.000	0.000	<b>0.250</b>
Bulky Waste	0.410	0.000	0.000	0.000	<b>0.410</b>
Other Service Pressures	1.544	0.500	0.000	0.000	<b>2.044</b>
Capital Financing	0.000	5.630	3.000	3.000	<b>11.630</b>
Pensions Actuarial Review	0.000	0.000	0.000	2.000	<b>2.000</b>
<b>Total Spending Pressures and Commitments</b>	<b>50.935</b>	<b>20.307</b>	<b>18.271</b>	<b>18.134</b>	<b>107.648</b>

## 6 Budget Reduction Proposals

- 6.1 Budget reduction proposals were approved at December and January Cabinet meetings to be taken forward through the budget process, and for consideration by Scrutiny Coordinating Committee and for the purposes of consultation.
- 6.2 Taking account of the above, a suite of budget reductions, focused on 2023/2024 is included within the budget plans, as summarised by Portfolio in the table below. Further detail on each of the budget reduction proposals are set out at Appendix A.

<b>Portfolio</b>	<b>Savings Proposal 2023/2024 (£m)</b>	<b>Savings Proposal 2024/2025 (£m)</b>	<b>Savings Proposal 2025/2026 (£m)</b>	<b>Savings Proposal 2026/2027 (£m)</b>
Leader	0.067		0.014	
Deputy Leader and Clean Green City	0.238	0.313		0.222
Cabinet Secretary	2.300	(0.188)	(0.100)	
Children Learning Skills	5.515			
Dynamic City	3.035			(2.000)
Healthy City	2.056	0.054		
Vibrant City	0.167			
<b>Total Savings Proposals</b>	<b>13.378</b>	<b>0.179</b>	<b>(0.086)</b>	<b>(1.778)</b>

- 6.3 Those savings which have been identified as having a potential equalities impact have been subject to a full Equalities Analysis assessment. The assessments are provided as a weblink within Appendix A.
- 6.4 The suite of budget reductions set out at Appendix A, have been prepared in accordance with the Council's Efficiency Strategy. The strategy is reviewed annually to reflect latest information. The updated Efficiency Strategy is incorporated in the update to the MTFP and attached to this report as Appendix Gi).

## 7 Proposed Council Tax Increase 2023/2024

- 7.1 In order to prevent further cuts to front line services, enable some essential investment in key priorities and minimise the use of reserves, it is proposed to increase the council tax and the social care precept for 2023/2024. Although the Government's assumption is that councils will increase total council tax by 4.99%, given the current pressures on residents from the cost of living crisis an increase below this level is proposed for 2023/2024.
- 7.2 The referendum limits set out in the local government settlement for 2023/2024 enable the combined council tax and social care precept to be increased by up to 4.99% without the need for a referendum.
- 7.3 Consultation undertaken as part the 2023/2024 budget setting process asked respondents whether they supported increases in council tax up to the Government's 5% referendum limit.

- 7.4 As set out in section 11, consultation responses indicate that an increase in council tax up to the 5% referendum level was not desirable with 54% of respondents either strongly disagreeing or disagreeing.
- 7.5 For 2023/2024 it is proposed to increase core council tax by 1.99% and to increase the social care precept by 1%, resulting in a combined increase of 2.99% i.e., significantly within the referendum limit permitted by the Government.
- 7.6 The formal decisions of the major precepting bodies are awaited regarding their precept proposals for 2023/2024. Consequently, the Fire Authority and Police and Crime Commissioner elements of the proposed council tax for 2023/2024 included within Appendix F to this report may be subject to change in line with their respective formal budget setting approval processes.

## 8 Overall Budget Position 2023/2024

- 8.1 The overall budget position is set out below, and takes into account; Government funding changes, cost pressures and proposals to meet the funding gap. As noted in prior reports, the Council has previously created a MTFP Smoothing reserve to address these forecast pressures. It is expected that this reserve will be around £29m at the start of next financial year and the MTFP assumes this will be used over the three year period to 2025/2026. The position below shows a balanced budget position for 2023/2024 taking into account the proposed council tax and social care precept increases and £9.000m use of reserves. There remains a MTFP budget gap of £40.865m for the period 2024/2025 to 2026/2027.

	2023/24	2024/25	2025/26	2026/27	Total
	£m	£m	£m	£m	£m
Spending Pressures and Commitments	50.935	20.307	18.271	18.134	<b>107.648</b>
Government Grant Change	(23.810)	(10.386)	(0.991)	(1.011)	<b>(36.198)</b>
Savings Proposals	(13.378)	(0.179)	0.086	1.778	<b>(11.693)</b>
Collection Fund Impact - Council Tax	(4.897)	(4.507)	(4.414)	(4.566)	<b>(18.383)</b>
Collection Fund Impact - NNDR	(5.281)	2.214	(1.427)	(1.446)	<b>(5.940)</b>
<b>Current MTFP Gap</b>	<b>3.570</b>	<b>7.449</b>	<b>11.525</b>	<b>12.890</b>	<b>35.435</b>
Previously Agreed Use of MTFP Smoothing Reserves	(3.570)	0.000	5.430	3.570	<b>5.430</b>
<b>Current MTFP Gap after previous agreed use of reserves</b>	<b>(0.000)</b>	<b>7.449</b>	<b>16.955</b>	<b>16.460</b>	<b>40.865</b>

- 8.2 The Government have indicated that the new fair funding formula and revised system of retained business rates will be developed and consulted upon in the short to medium term. It should be noted that the MTFP position assumes that should the new fair funding formula and revised system of retained business rates be introduced that the impact on the Council will be neutral. Should the Council's funding reduce as a result of any changes, Government has in the past used damping to limit and smooth any detrimental impact on formula changes, and it is widely anticipated that some form of damping arrangements will continue under any new system.
- 8.3 The Council's response to addressing the MTFP funding gap needs to be through the delivery of ongoing sustainable savings. The Council's Chief Officer Group are to commence a savings planning process to develop the savings proposals required to meet the current MTFP gap, for implementation in 2024/2025 or before where possible to do so. These will be considered and approved by Cabinet and Council as appropriate.

## **9 Workforce Planning, Transformational Costs and Capital Receipts Flexibilities**

- 9.1 Some of the 2023/2024 budget reduction proposals outlined in section 6 have staffing implications. These will be managed through the Council's Redundancy Policy and Procedure as necessary. It should also be noted that officers are continually reviewing resource allocations to ensure that staffing arrangements are fit for purpose.
- 9.2 At this stage it is proposed that any cost of redundancy payments and the release of pensions as required by the LGPS Regulations will be met from a combination of utilisation of capital receipts flexibilities (subject to detail being received from the Government on the extension to the existing flexibilities available to local authorities) and from within the overall corporate resource position.
- 9.3 The Council's Efficiency Strategy is set out at Appendix Gi) and supports the Government's requirements in making use of these flexibilities. The requirements in respect of prudential indicators are reflected in the Capital Programme 2023/2024 to 2026/2027 and Treasury Management Policy and Strategy 2023/2024 report elsewhere on this agenda. At this stage however, individual transformational projects that may require capital receipt support are not yet fully developed.
- 9.4 The position will be kept under review throughout the year as transformational costs and capital receipts generated are finalised. Final arrangements on funding transformational costs arising in each year will be considered as part of the outturn position each year, taking account of the overall corporate outturn position, available reserves, and capital receipts availability. Should the use of capital receipts be required, this will be reported, with project details.

## **10 Medium Term Financial Position**

- 10.1 In considering the Revenue Budget for 2023/2024, the latest information regarding reductions to public spending, and estimated pressures over the medium term were taken into account and summarised in this report. This position is subject to ongoing update as information emerges. The latest updated MTFP 2023/2024 to 2026/2027 is set out at Appendix G.

## **11 Budget Consultation 2023/2024**

- 11.1 Cabinet agreed the proposed consultation and communication arrangements in October 2022 as part of the Budget Planning Framework for 2023/2024.
- 11.2 As outlined in the December report to Cabinet, the budget consultation focused on people's views on the planned proposals to meet the Council's funding gap.
- 11.3 Following December's Cabinet meeting the formal consultation was launched, running from 8<sup>th</sup> December 2022, and closed on 8<sup>th</sup> January 2023. Again, as with the previous year, this was undertaken online with a range of communications to advertise the consultation via social media, the Council website, users of the 'Warm Spaces' and via ward councillors. 169 responses were received. The results are set out in detail at Appendix C.
- 11.4 In general, there was not a strong majority either way on the proposals set out, although slightly more did agree with the approach to the budget than disagreed. Within the

qualitative responses provided, in many cases it was acknowledged that the Council faced difficult decisions, but ideally no further reductions would be required. With regards the proposed council tax increase beyond the current 2.99% planning assumption and up to the 5% Government referendum limit, the majority did not agree.

- 11.5 Existing networks have been utilised to communicate and raise awareness of the consultation with a range of partners including Trades Unions, the North East Chamber of Commerce, Sunderland Business Improvement District and the Schools' Forum.
- 11.6 Feedback and commentary from the formal consultation with Trade Unions and Business representatives is set out at Appendix D.
- 11.7 At each stage in the budget process Scrutiny Committee is being consulted. Comments from Scrutiny Coordinating Committee are set out at Appendix E.
- 11.8 All of the feedback from the various consultations has been considered in bringing together the budget proposals in this report.
- 11.9 Reflections from the 2023/2024 budget consultation will help inform proposed arrangements for future budget consultations.

## **12 Equality and the Budget Proposals**

- 12.1 The Equality Act 2010 places a specific duty on Local Authorities through the Public Sector Equality Duty. The Act requires Local Authorities to give 'due regard' to the three aims of the duty to: eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act; advance equality of opportunity between people who share a protected characteristic and those who do not; and to foster good relations between people who share a protected characteristic and those who do not. Understanding the effect of decisions on people with different protected characteristics is an important part of complying with the general equality duty.
- 12.2 The Council continues to seek to meet its obligations in relation to equality and diversity and has procedures in place at both a general and budget specific level to incorporate equality and diversity issues into decision making processes and the assessment of proposals.
- 12.3 In accordance with the approach followed in previous years, the Council continues to fully consider the impact of its plans by following a robust approach to equalities analysis (this is the Council's adopted approach to analysing and recording equality impacts). Each directorate has considered the equality impact of their proposals, their judgements along with full Equality Analysis assessments where applicable are outlined at Appendix A.
- 12.4 Elected Members must review Appendix A and B, and the associated documents as having regard to them will assist members in complying with the public sector equality duty when considering the proposals.

Further detail on the approach to equality analyses are set out at Appendix B.

### **13 General Fund Balances and Position in Relation to Major Reserves**

- 13.1 In considering the level of general balances as part of budget preparation decisions, regard is given to:
- known commitments against balances in future years; and
  - financial risks faced by the Council and the measures in place to mitigate them or meet them financially.
- 13.2 The estimated level of general balances as at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2024 is included within the detailed budget at Appendix J.
- 13.3 In accordance with best practice, including the Cipfa Financial Management Code and being cognisant of Cipfa's Resilience Index, an analysis of the major financial risks has been undertaken in order to inform the level of balances deemed necessary. These are detailed at Appendix H.
- 13.4 The Council has a range of earmarked reserves. The major earmarked reserves are set out at Appendix I for information. In accordance with best practice this includes details of the purpose of the reserve as well as their forecast balance as at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2024. Reserves held with a value of under £1 million are consolidated for presentational purposes. Members will appreciate that the position on these reserves is dependent on a number of factors, not least the outturn position for 2022/2023 and the use of reserves to fund the capital programme. For forecasting purposes, a prudent approach is taken, with updates provided as part of the quarterly reviews to Cabinet.
- 13.5 In accordance with Part 2 of the Local Government Act 2003 there is a requirement for the Chief Financial Officer (CFO) to report upon the robustness of the estimates and the level of reserves. In making the statement, the CFO places reliance on information provided to him by other officers of the Council as part of the budget setting process. This process involves reasonable checks and other verification, which is undertaken in accordance with the overall system of internal control to validate the information provided.
- 13.6 For Sunderland, the CFO is the Director of Finance, who can confirm that:

Based upon the information used in determining this Revenue Budget 2023/2024 report, including specifically:

- the approach to budget consultation;
- the medium term financial position set out in Appendix G;
- the risk analysis set out in Appendix H;
- the earmarked reserves set out in Appendix I; and
- the statement of general balances and detailed budget (Appendix J);

The Revenue Budget is considered robust, and the level of reserves considered to be adequate for 2023/2024 after an assessment of the financial risks and future plans of the Council have been taken into account. The underlying level of General Fund Balances at £12.0m to the end of 2022/2023 is in accordance with the existing policy and is considered prudent and robust given the overall level of reserves.

## **14 Detailed Budget 2023/2024**

- 14.1 As set out above, since the initial budget proposals were formulated, consideration has been given to the outcome of budget consultation, the final settlement, the collection fund position, the council tax base, the business rates income and Government guidance in relation to council tax levels.
- 14.2 The Total Budget Requirement to be approved by the Council is funded through:
- Revenue Support Grant;
  - Retained business rates;
  - Top Up Grant; and
  - Council tax and Social Care Precept.
- 14.3 The general summary page of the revenue budget together with details of the proposed contingency and the detailed revenue budget 2023/2024 for each Portfolio is included as Appendix J. All changes have been incorporated into the Budget.
- 14.4 The formal decisions of the major precepting bodies are awaited regarding their precept proposals for 2023/2024. Consequently, the Fire Authority and Police and Crime Commissioner elements of the proposed council tax for 2023/2024 included within Appendix F to this report may be subject to change in line with their respective formal budget setting approval processes.

### **Service Reporting Code of Practice**

- 14.5 The presentation of the budget book shows delegated budget only against services, rather than the full cost of services, including support service costs. Support service costs, IAS19 (Pensions) and asset charges have been appropriately distributed to each portfolio and are shown for information only at the foot of each page. This approach ensures the budget book fully reflects internal management responsibilities and thereby aids transparency of individual budgets. It does not, therefore, reflect external reporting requirements which will contain apportionment of support service costs.
- 14.6 It should be noted that variations between the budget for 2022/2023 and 2023/2024 have arisen as a result of:
- temporary budget adjustments in 2022/2023;
  - the implementation of spending pressures referred to in this report;
  - the implementation of the budget reductions referred to in this report; and
  - realignment between budgets and services to reflect changed operational requirements.

Members will appreciate that these changes, where applied, do not enable a valid year on year comparison, and some significant variations between years may be apparent.

### **Revised Estimates**

- 14.7 Quarterly budget reports have been presented to Cabinet during the year. The revised estimates reflect changes notified within those reports and a number of technical adjustments e.g. contingency transfers and central support cost adjustments.

## **15 City Plan**

- 15.1 The City Plan, current version approved by Council in February 2022, sets the framework for the allocation of the Council's resources.
- 15.2 As a result of the continuing emerging impacts of the Covid-19 pandemic and other related socio-economic and structural changes impacting on the city, it was agreed to undertake an annual City Plan assurance process, to ensure the Plan and the Indicative Timeline remain fit for purpose to express the council's and city's strategic direction and intentions.
- 15.3 The updated City Plan 2023-2035 and Indicative Timeline at Appendix K set out for Cabinet's consideration the proposals to ensure the plan continues to fulfil its role as the primary statement of the Council's key priorities, and therefore the framework for the allocation of its resources.

## **16 Crime and Disorder**

- 16.1 Consideration has been given to the options for savings about their potential impact on crime and disorder (Section 17 Duty). No existing proposals have been identified as having a negative impact.

## **17 Suggested Reason for Decision**

- 17.1 To comply with statutory requirements to approve a balanced budget for the coming financial year.

## **18 Alternative options to be considered and recommended to be rejected**

- 17.1 There are no alternative options recommended for approval as the budget has been developed on the basis of an agreed framework with consultation carried out throughout the process.

## **Background Papers**

[Budget Planning Framework and Medium Term Financial Plan 2023/2024 - 2026/2027](#)  
(13 October 2022 Cabinet)

[Budget Planning Framework and Medium Term Financial Plan 2023/2024 - 2026/2027](#)  
(8 December 2022 Cabinet)

[Revenue Budget 2023/2024 to 2026/2027 – Update and Provisional Local Government Finance Settlement 2023/2024](#)  
(19 January 2023 Cabinet)



## **List of Appendices**

- Appendix A – Budget Savings Proposals
- Appendix B – Equality and Budget Proposals
- Appendix C – Budget Consultation 2023/2024 Results
- Appendix D – Formal Budget Consultation Meetings
- Appendix E – Scrutiny Co-ordinating Committee Consultation on the Budget 2023/2024
- Appendix F – Proposed Council Tax for 2023/2024
- Appendix G – Medium Term Financial Plan (MTFP) 2023/2024 – 2026/2027
- Appendix Gi) – Efficiency Strategy
- Appendix Gii) – MTFP 2023/2024 to 2026/2027 Risk Assessment
- Appendix H – General Balances – Financial Risk Analysis
- Appendix I – Earmarked Reserves – Position Statement
- Appendix J – Revenue Budget 2023/2024
- Appendix K – City Plan Update 2023-2035 (copy to follow)

## Budget Savings Proposals

### 1. Leader Proposals – Total Saving £0.067m (2023/2024) and £0.014m (2025/2026)

#### 1.1 L1 - Policy & Partnerships (Saving £0.024m in 2023/2024)

Reduced subscription to support bodies and networks.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment:	

#### 1.2 L2 - Corporate Affairs & Communications (Saving £0.043m in 2023/2024 and £0.014m in 2025/2026)

Reduce frequency of resident printed newsletter Your Sunderland to x3 times and following expiry of the current contract for the delivery of the resident survey in 2024, consider moving to a biannual survey.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment:	

**2. Deputy Leader and Clean Green City Proposals – Total Saving £0.238m (2023/2024), £0.313m (2024/2025) and £0.222m (2026/2027)**

**2.1 DL1 – Economic Regeneration (Saving £0.221m in 2023/2024)**

Review of team staffing arrangements and deletion of vacant posts.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment: The savings relate to the deletion of 5 vacant posts, none of which provide any direct or indirect services to any protected characteristic groups.	

**2.2 DL2 – Economic Regeneration (Saving £0.012m in 2023/2024)**

Reduced Staffing Costs in Business Centres.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment: The saving will be generated via joint working across the Business Investment Team and Business Centres Team which will enable existing business centre services to continue as needed therefore no equality analysis is required.	

### 2.3 DL3 – Economic Regeneration (Saving £0.005m in 2023/2024)

Reduction in foreign travel costs.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: Foreign travel was not carried out during the pandemic and new working arrangements are being developed on an ongoing basis following the lifting of restrictions. A reduction in foreign travel expenditure is planned within this context. No equality analysis is required as there is no degradation to service or impact on any of the protected characteristic groups.	

### 2.4 DL4 – Environmental Services Fleet (Saving £0.313m in 2024/2025 and £0.222m in 2026/2027)

Savings in vehicle and equipment lease charges following purchases via the capital programme.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: This saving is related to how we finance the fleet used by internal council services. It does not have any direct impact on any residents. The proposal is related to moving from leasing vehicles to direct purchase. In doing so the vehicles will be purchased via the capital programme and financed that way thus reducing the revenue budget which is used to pay for lease vehicles.	

**3. Cabinet Secretary Proposals – Total Saving £2.300m in 2023/2024, reducing by £0.188m in 2024/2025 and reducing by a further £0.100m in 2025/2026**

**3.1 CS1 - Finance, Revenues and Benefits (Saving £0.457m in 2023/2024, reducing by £0.200m in 2024/25 and reducing by a further £0.100m in 2025/26)**

Housing benefit - overpayment recovery and deletion of vacant posts.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment: The savings result from the realignment of budgets to reflect actual income currently being received i.e. there is no change in policy or approach.  The posts have been vacant during the current financial year and level of service to the public has been maintained. Therefore no negative equality impacts are anticipated on either service delivery or staff going forward.	

**3.2 CS2 - Finance, Revenues and Benefits (Saving £0.050m in 2023/2024)**

Revenues - Reduction in costs of cash collection arrangements.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The savings result from the realignment of budgets to reflect actual expenditure currently being incurred i.e. there is no change in policy or approach.	

### 3.3 CS3 - Finance, Revenues and Benefits (Saving £0.264m in 2023/2024)

Corporate Management - Deletion of vacant posts and reduction in historic pensions budget.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The savings result from the realignment of budgets to reflect actual expenditure currently being incurred i.e. there is no change in policy or approach.  The post has been vacant during the current financial year and level of service to the public has been maintained. Therefore no negative equality impacts are anticipated on either service delivery or staff going forward.	

### 3.4 CS4 - Finance, Revenues and Benefits (Saving £0.040m in 2023/2024)

Finance - Increase in income for finance service activity.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: Additional income from programme management fees received in respect of external grant programmes and additional income from finance services provided.	

### 3.5 CS5 - Audit, Risk, Procurement and Insurance (Saving £0.167m in 2023/2024)

Insurances - Deletion of vacant post within Insurance team, increased external charging and reduction in insurance fund provision.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment:  The post has been vacant throughout the current financial year and level of service to the public has been maintained. Therefore no negative equality impacts are anticipated on either service delivery or staff going forward.  The other two financial elements have no equality impacts.	

### 3.6 CS6 - Audit, Risk, Procurement and Insurance (Saving £0.010m in 2023/2024)

Procurement - Reduction in invoice scanning contract costs.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment:	

### 3.7 CS7 - Audit, Risk, Procurement and Insurance (Saving £0.022m in 2023/2024)

Audit, Risk and Assurance - Review of audit, risk and assurance team staffing arrangements.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment:  Savings are arising from the grades of two vacant posts being revised. Levels of service have been maintained and therefore no negative equality impacts are anticipated.	

### 3.8 CS8 - Property Services including catering and cleaning (Saving £0.129m in 2023/2024)

Review of Catering and Cleaning provision and staffing arrangements.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment:  Due to a reduction in school cleaning contract, there is a reduction in management team from three to two posts. Further savings are made through the cessation of a commercial catering function. There are no equality impacts.	



### 3.9 CS9 - Property Services including catering and cleaning (Saving £0.150m in 2023/2024)

Reduction in repairs and renewals budget.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment:  A review of working practices and maintenance decisions have supported delivery of a more efficient service, reducing time spent on site and a reduction in reactive work.  This planned approach will not impact work carried out with no reduction in customer requirements to maintain facilities to the required standard.	

### 3.10 CS10 - Property Services including catering and cleaning (Saving £0.015m in 2023/2024)

Civic Buildings - New or increased charges to property users.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment:  The proposal is to increase charges to the occupiers of Council owned buildings at Bunnyhill and the Millennium Centre.  Bunnyhill is a Council owned Multi-Use asset that includes a nursery and community hub. Both were previously operated by SNCBC on the terms of a Community Lease	

(i.e. at a peppercorn rent and subject to delivering certain Community Obligations). SNCBC have however now vacated and Community Hub and therefore only occupy the nursery. The proposal is therefore to charge the occupier a commercial rent for the retained nursery space in line with other privately operated nurseries in Council buildings.

The Millennium Centre is a Council owned Community Hub leased to Washington Millennium Trust Ltd. Under the terms of the Lease the Tenant is responsible for certain costs (insurance, utilities etc) that the Council is currently contributing too. The proposal is to recover the full costs available under the terms of the Lease. The proposal will result in an increased financial pressure on the Tenant but will bring the property in line with other Council owned Community Buildings.

### 3.11 CS11 - Property Services including catering and cleaning (Saving £0.050m in 2023/2024)

Asset Management - New or increased charges to service users.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment:  Increased income from additional external work.	

### 3.12 CS12 - ICT (Saving £0.339m in 2023/2024)

Review of ICT staffing structure, cessation of support contracts no longer required and reductions in consultancy costs and fibre contract costs.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	✓
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment:  Staffing changes and post deletions are as a result of succession planning and old technologies being retired. There is no anticipated equality impact on service delivery or staff.	

### 3.13 CS13 – Legal Services (Saving £0.120m in 2023/2024)

Introduce charging to capital projects where appropriate for legal advice.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The service will endeavour to meet the target by charging time spent by relevant Legal staff to capital projects. That will be an in-house arrangement and therefore it is not considered that an equality analysis is required at present.	

### 3.14 CS14 – Corporate Support Service (Saving £0.192m in 2023/2024)

Review of Corporate Support Service staffing arrangements through the removal of vacant posts and operating model efficiencies.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment: The posts have been vacant during the current financial year and the level of service to the public has been maintained. Therefore no negative equality impacts are anticipated on either service delivery or staff going forward.	

### 3.15 CS15 – Customer Services Network (Saving £0.162m in 2023/2024)

Review of Customer Services Network team staffing arrangements and supplies and services budget reduction.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment:	
The posts have been vacant during the current financial year and level of service to the public has been maintained. Therefore, no negative equality impacts are anticipated on either service delivery or staff going forward.	

### 3.16 CS16 – Members Support (Saving £0.030m in 2023/2024)

Realignment of member support budget in line with current expenditure levels.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment:	

### 3.17 CS17 – Strategic and Operational HR (Saving £0.067m in 2023/2024)

Further savings associated with functions transitioning following the Thinking Operating Model review.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment:  These posts have either been vacant during the current financial year or further vacancies are anticipated in 2023/24. To date, level of service to the public have been maintained and this is expected to continue, therefore no negative equality impacts are anticipated on either service delivery or staff going forward.	

### 3.18 CS18 – Registration Services (Saving £0.036m in 2023/2024)

Maximisation of income from Registration Services.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: Options to create further income are continually considered and explored and that will continue in the forthcoming financial year. As many appointments as staffing levels allow will continue to be offered.	

### 3.19 CS19 – Electoral Services (Saving £0.012m in 2024/2025)

Removal of vacant 0.5 FTE post from electoral services team.

#### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment:  The post has been vacant throughout the current financial year and level of service to the public has been maintained. Therefore no negative equality impacts are anticipated on either service delivery or staff going forward.	

#### 4. Children Learning and Skills – Total Saving £5.515m (2023/2024)

##### 4.1 CLS1 – Education Pensions (Saving £0.150m in 2023/2024)

Reduction in historic pensions costs

##### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The savings result from the realignment of budgets to reflect actual expenditure currently being incurred i.e. there is no change in policy or approach.	

##### 4.2 CLS2 – Together for Children (Saving £5.365m in 2023/2024)

Planned TfC budget savings/efficiencies - 2023/24:

- Cared for Children reviews including making best use of local capacity
- Establishment Efficiencies
- Non-staff efficiencies
- Income generation
- Service Transformation with a view to optimising prevention and best use of local capacity

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	✓
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment:	

[Link to full equalities assessment](#)



**5. Dynamic City – Total Saving £3.035m (2023/2024) and -£2.000m (2026/2027)**

**5.1 DC1 – Housing Options Team (Saving £0.140m in 2023/2024)**

- i) Realignment of budget (c.£60,000)
- ii) Potential saving – Homelessness Prevention Grant (c.£80,000)

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	✓
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment:  i) To realign budget for Housing Options Manager to Vulnerable Groups Team; budget will be funded using Government grants. ii) Homelessness Prevention Grant consultation is being undertaken by Government. This is considering options on the assessment and determination of grant in the future and could potentially provide additional monies over and above the known existing grant position, of which £80,000 could be made available as savings to current budget. In terms of Equality Impact Assessment, a comprehensive assessment as part of the Housing and Homelessness Strategy is being undertaken, which will incorporate how the council will mitigate impacts for residents presenting as homeless.	

## 5.2 DC2 – Regulatory Services (Saving £0.080m in 2023/2024)

Increased fee income generated from Building Control and Development Control activity.

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The efficiency saving will be achieved by a) applying a modest increase to planning and building control application fees which will in turn lead to increased income, b) better targeting of clients to increase the share of income generated via them. The Building Control Service is in competition with the private sector and is subject to market forces therefore clients have the option to go to other service providers if they so desire. It is felt that there will be no disproportionate impact on the protected characteristic groups.	

## 5.3 DC3 – Regulatory Services (Saving £0.050m in 2023/2024)

Review of Regulatory services team staffing arrangements.

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	✓
No Equality Analysis Required	
Additional Comment: Subsequent to the transfer of services from the former Neighbourhoods Directorate to the City Development Directorate culminating in the creation of a new Regulatory Services division, a further review will be undertaken which will generate efficiencies. The efficiencies will have no impact on service delivery as greater integration within the service will allow existing service levels to be maintained.	

**5.4 DC4 – Siglion Distribution (Saving £2.000m in 2023/2024) and (-£2.000m in 2026/2027**

Temporary increased distribution from Siglion.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: An increased distribution of £2m per annum is to be received from Siglion LLP during 2022/23, 2023/24 and 2024/25.	

**5.5 DC5 – Street Lighting (Saving £0.500m in 2023/2024)**

Increased ongoing utilisation of the Street Lighting Smoothing reserve.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The saving is from the existing street lighting PFI smoothing reserve, and its utilisation has no impact on the provision of street lighting.	

## 5.6 DC6 – Regeneration Properties (Saving £0.265m in 2023/2024)

Review of regeneration property portfolio income.

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The Council will acquire and dispose of some properties in line with its Property Strategy which will generate additional income and a reduction in costs. None of the tenants in the buildings to be acquired / disposed of provide a public service therefore no Equality Analysis is required.	

**6. Healthy City – Total Saving £2.056m (2023/2024) and £0.054m (2024/2025)**

**6.1 HC1 – Public Health Joint Commissioning (Saving £0.015m in 2023/2024)**

Increased Public Health Grant investment - increased focus on health in all policies.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: Utilisation of available Public Health funding to free up council resources – no detrimental impact on service delivery.	

**6.2 HC2 – Intermediate Care (SCAS) (Saving £0.100m in 2023/2024 and saving £0.050m in 2024/2025)**

Reduction in LA therapy support to Farmborough Court and rededicate therapy team to delivering rehabilitation to people in their own home.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: It is anticipated cost will be met by Health.	

**6.3 HC4 – Community equipment Store (Saving £0.033m in 2023/2024 and saving £0.016m in 2024/2025)**

Joint review of community equipment with partners to reduce the catalogue list for prescribers.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The review of the catalogue list will ensure that equipment being purchased and stored are only those that are in active use and we are making best use of resources.	

**6.4 HC6 – Adult Social Care - Residential (Saving £0.347m in 2023/2024)**

Using intervention measures to reduce the number of admissions to permanent care by 1%.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	✓
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment:	

[Link to full equalities assessment](#)

## 6.5 HC7 – Adult Social Care (Saving £0.215m in 2024/2025)

Review essential car user payments to all adult social care staff.

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	✓
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	
Additional Comment:	

[Link to full equalities assessment](#)

## 6.6 HC8 – Adult Social Care (Saving £0.200m in 2023/2024)

Increase contribution income through annual inflationary uplift on NHS contracts (CPI).

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment:	

**6.7 HC9 – Adult Social Care (Saving £0.333m in 2023/2024 and saving £0.167m in 2024/2025)**

Alongside ICB review approach to commissioning arrangements for Continuing Health Care.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment:	

**6.8 HC10 – Adult Social Care (Saving £0.500m in 2023/2024, reducing by £0.500m in 2024/2025)**

Review of Adult Social Care Reserves (one off).

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment:	



## 6.9 HC11 – Adult Social Care (Saving £0.400m in 2023/2024)

Average recovery of Direct Payment surplus per annum.

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment: The recovery is of funds not used during defined period – there is no amendment or reduction to packages of care.	

## 6.10 HC12 – Home Improvement Agency (SCAS) (Saving £0.128m in 2023/2024 and £0.064m in 2024/2025)

Cease paying for annual maintenance of Fixed Mechanical Equipment (FME) when manufacturer's guarantee runs out.

### Equality Analysis

Equality Statement	Status
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment:	

**6.11 HC13 – Sunderland Safeguarding Adults Board (SSAB) (Saving £0.042m in 2024/2025)**

Review of Sunderland Safeguarding Adults Board arrangements.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment:	

**7. Vibrant City – Total Saving £0.167m (2023/2024)**

**7.1 VC1 – Community Sport and Physical Activity (Saving £0.052m in 2023/2024)**

Review of service area budget and increased investment from Public Health grant funding.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment:	

**7.2 VC2 – Sport and Leisure Facilities (Saving £0.090m in 2023/2024)**

Review of service provision and budgets within Sport and Leisure including increased investment from Public Health grant funding.

**Equality Analysis**

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment:	

### 7.3 VC3 – Tourism (Saving £0.025m in 2023/2024)

Reduced extent and / or frequency of publications, signage, etc.

#### Equality Analysis

<b>Equality Statement</b>	<b>Status</b>
Equality analysis is complete and a positive impact has been identified	
Equality analysis is planned and a positive impact is anticipated	
Equality analysis is complete and neutral impact has been identified	
Equality analysis is planned and a neutral impact is anticipated	
Equality analysis is complete and a negative impact has been identified	
Equality analysis is planned and a negative impact is anticipated	
Equality analysis is complete and both positive and negative impacts have been identified	
Equality analysis is planned and both positive and negative impacts are anticipated	
The savings is from staffing changes and therefore equality implications will be considered as part of the Workforce Planning arrangements	
No Equality Analysis Required	✓
Additional Comment:	

## **Equality and Budget Proposals**

### **1 Equality in Decision Making**

- 1.1 The Equality Act 2010 places a specific duty on Local Authorities through the Public Sector Equality Duty. The three aims of the equality duty are to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act;
  - Advance equality of opportunity between people who share a protected characteristic and those who do not; and
  - Foster good relations between people who share a protected characteristic and those who do not.
- 1.2 Public authorities are required to give 'due regard' to the three aims of the duty when making decisions. Understanding the effect of decisions on people with different protected characteristics is an important part of complying with the general equality duty. Due regard means:
- consider the need to remove or minimise disadvantage or to meet particular needs;
  - think about how to encourage participation in public life; and
  - tackle prejudice and promote understanding.

### **2 How equality analysis informs the budget-setting process**

- 2.1 Individual proposals for savings are reviewed to determine whether equality analysis is required. Where equality analyses are required, and negative impacts are identified, it is the responsibility of the services to minimise these as far as possible. A standard approach is taken each year to ensure:
- equality considerations are given to each new savings proposal;
  - proposals agreed in previous years are reconsidered to ensure planned equality analysis has been completed or refreshed, where appropriate; and
  - where equality analysis is finalised, a sampled quality assurance process takes place to ensure the relevant considerations are being made in a thorough manner.

### **3 Consultation**

- 3.1 The consultation approach is outlined at paragraph 11 of the main report. Surveys and resident engagement are carried out to inform key plans and activity in the Council at both a service and general budget consultation level. Where possible, demographic data is collected and analysed to understand the spread of respondents and help inform equality considerations. Communications and consultations are focussed on a range of groups and communities to maximise involvement.

## **4 Key Messages**

- 4.1 The equality considerations are summarised into key judgements, evidenced at Appendix A.
- 4.2 The assessment of impacts concluded that three of the proposals required an equality analysis to be carried out, these are:
- HC6 – Adult Social Care Residential
  - HC7 – Adult Social Care
  - CLS2 – Together for Children
- 4.3 Of the three proposals highlighted above, one concluded that there would be a neutral impact (i.e. no disproportionate impact on any of the protected characteristics); a second identified potential negative impacts for disabled people; the final proposal detailed above identified positive impacts in relation to age, disability, sex and pregnancy/maternity, while also recognising potential negative impacts on age. Twelve proposals identified savings as a result of staffing changes; equality considerations have been included in the templates provided and will be considered further as part of the workforce planning arrangements.
- 4.4 The completed equalities analysis for each of the above is provided as a weblink within the respective proposal at Appendix A.

## **5 Conclusions**

- 5.1 The Council continues to seek to meet its obligations in relation to equality and diversity and has procedures in place at both a general and budget specific level to incorporate equality and diversity issues into decision making processes and the assessment of proposals.
- 5.2 Services and directorates are responsible for updating their equality analyses, continuing to assess how any identified impacts can be mitigated during the development of the detailed proposals and ensuring these considerations are presented to decision makers.

## Budget Consultation 2023/2024 Results

### 1. Background and Context

- 1.1 This year's consultation process utilised existing networks such as 'Let's Talk', Warm Spaces venues and social media to communicate with both geographic communities and communities of interest. In addition to residents, there were communications with a range of partners and stakeholders. The consultation was open for one month between the 8<sup>th</sup> December 2022 and 8<sup>th</sup> January 2023.
- 1.2 The engagement process focused on people's views on planned proposals to meet the £30m funding gap after an assumed increase in council tax of 2.99% and before any planned use of reserves. The proposals included:
- Cost savings at that time totalling £3.7 million through a range of measures including reshaping how we deliver our social care services and reviewing how we deliver and staff our support services;
  - Additional income raising £4.3 million through a range of measures;
  - And using £9 million of council reserves.
- 1.3 Questions focused on whether the public agreed with the overall approach to savings proposals and whether they could provide any alternative savings suggestions which would address the £30m funding gap. Views on the proposed council tax increase were also sought, including utilising the higher council tax referendum limit set by the Government.
- 1.4 Budget plans included an assumed council tax increase of 2.99%. In their Autumn Statement, the Government increased the referendum limit. This was a limit to the amount councils could increase council tax without a local referendum. There was an expectation that local authorities would increase council tax by 5% (including 2% for the social care precept) in the absence of sufficient additional funding from the Government. The referendum limit was previously 2.99% (including 1% for the social care precept).
- 1.5 A 4.99% increase would mean a household living in a Band A property would pay £1.02 more per week whilst a household living in a Band D property would be paying £1.53 more per week. Even taking into account this increase, Sunderland would remain the lowest council tax rate for Band D in the Northeast. This further 2% increase (1% for council tax and 1% for adult social care) would generate an additional £2.3 million.
- [Our proposed approach can be read in detail in the Budget Planning Framework and Medium-Term Financial Plan.](#)
- 1.6 Response levels were higher than last year with 169 consultation responses received, compared to 126 previously.
- 1.7 In addition, briefings to the following stakeholders were given:
- Northeast Chamber of Commerce, representatives of business ratepayers and Sunderland Business Improvement District;
  - Trades Unions; and

- Schools' Forum.

1.8 The budget engagement and consultation exercise aimed to increase and assess awareness of the financial challenges the Council faces and the scale of services provided.

## 2. Results

2.1 In response to whether residents agreed with the proposed approach to meet the budget gap, the chart below displays the 162 responses received to this question (7 replies did not include an answer to this question).

### 1. Do you agree or disagree with this approach?

[More Details](#)

● Strongly agree	9
● Agree	50
● Neither agree nor disagree	46
● Disagree	28
● Strongly disagree	29



2.2 The consultation responses received were evenly split between those who agreed with the proposed approach, those who disagreed and those who neither agreed nor disagreed.

2.3 Although there was not a strong majority either way on the proposals as set out, it is important to note that there were a range of qualitative responses as well which provided further context. In many cases, people acknowledged the difficult decisions that the Council faced, and that ideally no further reductions would be required.

2.4 95 people provided qualitative suggestions as part of their consultation response. From the extensive range of suggestions received some common themes have been grouped in order of prevalence as shown below:

- Proposals for reducing costs and improving efficiency;
- Greater use of volunteers / community groups and buildings to deliver services;
- A number of responders would prefer a more basic service to be provided or a small charge to be implemented for services; and
- Costs reductions associated with councillors and committees.

2.5 Residents were asked whether they agreed or disagreed with the Council utilising the additional 2% council tax raising powers over the previous 2.99% assumed increase. The chart below displays the 167 responses received to this question (2 replies did not include an answer to this question).



**3. Do you agree or disagree with the council utilising the additional 2% council tax raising powers over the previous 2.99%?**

[More Details](#)

● Strongly agree	23
● Agree	28
● Neither agree nor disagree	25
● Disagree	32
● Strongly disagree	59



- 2.6 The responses received to this question indicated that the public were not supportive of a council tax rise which exceeded the assumed 2.99% increase. 54% of responses either disagreed or strongly disagreed with a rise in excess of 2.99% whilst 31% agreed with an increase in excess of 2.99% and 15% neither agreed nor disagreed.
- 2.7 This information has been considered by Cabinet's in considering their proposals for the 2023/2024 budget.

**Formal Budget Consultation Meeting held on Thursday 22<sup>nd</sup> December 2023 at 11.00am with Trades Unions**

**Council Representatives**

Cllr Graeme Miller	-	Leader of the Council
Paul Wilson	-	Director of Finance
Paul Dixon	-	Chief Accountant

**Trade Union Representatives**

Diane Peacock	-	Unison
Lisa Foot	-	Unison
Conor McArdle	-	Unison
Graham Avery	-	GMB
Kier Howe	-	GMB
Dave Telford	-	Unite

**Apologies**

Patrick Melia	-	Chief Executive
Cllr Claire Rowntree	-	Deputy Leader of the Council
Cllr Paul Stewart	-	Cabinet Secretary
Gillian Hunter	-	Senior HR Business Partner
David Riddle	-	GMB
John Kelly	-	Unite

Representatives from the Trade Unions joined a meeting where Paul Wilson (PW) gave a presentation on the Council's budget proposals for 2023/2024 and the latest position on the Medium Term Financial Plan.

After the presentation PW confirmed that a further budget update report would be presented to January's Cabinet and then the final budget proposals will be considered by Cabinet in February. The budget will then go to full Council for discussion, consideration and approval at its meeting on 22<sup>nd</sup> February 2023.

PW noted that the employee implications around the budget reduction proposals, were relatively minor. There may be a small number of positions where we are seeking voluntary redundancies but a number of savings involving staff will be achieved through the deletion of vacant posts. These proposals will go through the usual consultation processes where necessary.

He then invited questions and discussion from the group:-

1. Dave Telford (DT) thanked PW for the presentation and said it is encouraging that he was indicating minimal potential disruption.
2. Diane Peacock (DP) said this budget would be good news to their members as staffing is already to a minimum and they just wouldn't know where to start with further cuts.

3. Cllr Graeme Miller (GM) added in the four years that he has been Leader of the Council the Labour Group has strongly stressed, through the budget, the value of the Council's staff. Sometimes it may be unavoidable that there is a very small number of redundancies.

Whilst the Council is financially sound, we have a £21m gap and we have to make that up in a variety of ways which include Business Rates growth and Council Tax increases.

We are also trying to support residents who have the least financially and that is why our financial planning is currently based on a council tax rise of 3% and not 5%.

4. Lisa Foot (LF) asked if Business Rates would change to try and attract bigger businesses to the city. PW replied that there are two elements to this one being the long promised review and reform of business rates by the Government on which no timescale is in place and the other relates to increasing the businesses within the city which will lead to more business rates. GM explained the transformation that is happening in the city at the moment including the new railway station, the eye hospital, housing, the seafront and The Stables, all of these will attract more people into the City Centre and help to boost our economy.
5. Conor McArdle (CM) asked for clarification of the budget saving proposed under the heading of reduction of historic pension costs. PW said this was just realigning the budget to what we actually pay and this has no impact on colleagues' pensions. The actuarial review for 2023/2024 is now concluded and the fund is in a strong position across Tyne and Wear. CM replied he is pleased the budget isn't as bad as we were expecting and the Council are doing really well in terms of its regeneration which is really positive to see.
6. LF mentioned the Government increasing the minimum wage, would that affect the Council with us being a Living Wage employer? PW responded by noting that it doesn't affect us as a Council as we pay all of our staff at least the real living wage. It may impact on the costs of our external contracts as these are renewed or procured as we want our contractors and providers to pay the real living wage to their employees.

The meeting ended and PW thanked the participants for their attendance.

## Formal Budget Consultation Meeting held on 5<sup>th</sup> January 2023 with Sunderland BID and North East England Chamber of Commerce

### Council Representatives

Cllr Graeme Miller	-	Leader of the Council
Patrick Melia	-	Chief Executive
Paul Wilson	-	Director of Finance
Paul Dixon	-	Chief Accountant

### Business Representatives

Rachel Anderson	-	NEE Chamber of Commerce
Tom Lonsdale	-	NEE Chamber of Commerce
Sharon Appleby	-	Sunderland BID
Brian Logan	-	Azets Accountants/Director of Sunderland BID

### Apologies

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

Representatives from the North East England Chamber of Commerce and Sunderland BID attended a meeting where Paul Wilson (PW) gave a presentation on the Council's Revenue budget, the 2023 Business Rates revaluation and the Business Rates reliefs for 2023/2024.

PW said we started the budget process back in October 2022 and budget consultations are still ongoing with a range of interested parties and residents. Cabinet will receive an update on the budget proposals for 2023/2024 including the outcome of the local government finance settlement on 19<sup>th</sup> January. Cabinet will receive a further budget report at the beginning of February which will propose the Council Tax and set out the final budget proposals for 2023/2024. Full Council will meet on the 22<sup>nd</sup> February to discuss and consider the final budget proposals and agree the Council Tax and final budget for the coming year.

He invited questions and discussion from the group:-

1. Rachel Anderson (RA) asked about the big spike in Pay pressure in 2023/2024, what does that represent in terms of a percentage increase? PW responded, noting that in 2022/2023 when the budget was set only a 3% increase in pay was budgeted for at that time. The actual pay award that was agreed by National Employers equated to approximately 7% so effectively we were 4% short in the current year budget. The 4% shortfall has needed to be caught up in 2023/2024 contributing to the large increase. In addition, at that time for planning purposes an additional 4.5% increase was assumed in 2023/2024. RA asked if this pay increase was agreed across the whole country or was it just Sunderland Council that agreed this. PW confirmed that those councils who are part of National Employers, which will be the vast majority of councils (including

Sunderland), negotiate pay settlements as one group with the trades unions. In 2024/25 and beyond the assumption for pay awards reduces to 2%.

2. RA noted the consistent flat level on Social Care demand budget pressure in the medium term planning and enquired as to the rationale behind this. Cllr Graeme Miller (GM) answered that it is an estimate. The estimate is refined over time and reflects that the demand for social care is increasing given the pressures in the system.
3. RA asked about the increase in capital finance debt charges? PW said this reflects the required revenue charge required for the capital investment funded by the Council.
4. Sharon Appleby (SA) informed the group that the impact of the Business Rates Revaluation would mean they could see a £130,000 loss in income, that is 23% of the BID's income from 2024/2025. That is a significant amount, and they are looking at different ways of how they can fill the gap.
5. RA said Devolution probably won't impact until the following year but did PW see any costs arising from the Devolution Deal. GM responded that at the moment this deal is in principle only, it hasn't been legally agreed and it will have to be taken through each Local Authority's governance processes. The Deal will also go to public consultation and following which we have to send confirmation back to the Minister to proceed. There should be no cost to Local Authorities with the Deal enabling access to more funding from the Government and the potential alongside private sector leverage to be c. £10bn over 30 years.
6. RA asked what would be Sunderland's approach to a strategy underneath the Mayor in terms of a Development Corporation? Patrick Melia (PM) said that would depend on a range of factors. At this point in time this is not currently envisaged - the governance scheme within the Deal doesn't allow the Mayor to impose a Development Corporation on Sunderland without the approval of the Council. Clearly, If we thought it was a good thing for the Mayoral combined authority to create a Development Company that had a positive impact on Sunderland and grew jobs in Sunderland then we would consider that at that time. PM added that we will have to make sure we use all of the funds to support the plans we have, to complement our infrastructure, it can help to extend the Metro system, it can help with education and skills within the City to help people access jobs. This funding will really help what we need to do in the City for our residents.
7. RA queried the Events budget, with the Coronation happening next year? PW said there was no change proposed around the level of resources in terms of delivering events. SA said there are some interesting events going on Citywide including Smart Cities and bringing together the Health, Business and Vibrant elements which the BID are supporting.

8. RA asked about Capital budget plans. PW said we already have a significant Capital Programme that is already in place. Additional schemes for 2023/2024 total c. £40m and predominantly relate to the maintenance of buildings, our quay infrastructure and highways, bridges etc.
  
9. GM thanked everyone for coming and said if any further queries, please don't hesitate to contact PW.

## Scrutiny Coordinating Committee Consultation on the Budget 2023/2024

### Comments of Scrutiny Coordinating Committee

1. On 13<sup>th</sup> October 2022, Scrutiny Coordinating Committee considered the Budget Planning Framework and Medium Term Financial Plan 2023/2024– 2026/2027 report which was referred from the October Cabinet meeting.

Scrutiny Coordinating Committee commented as follows:

“The Scrutiny Coordinating Committee acknowledged the information contained in the report including the budget planning framework and updated capital strategy. The Committee also recognised the importance of budget consultation with key stakeholders and increased engagement with the public.”

As in previous years there remained a number of uncertainties, pressures and challenges around the budget that the Committee will continue to monitor through future budget report.

The Committee had no further comment at this time.”

2. On 8<sup>th</sup> December 2022, Scrutiny Coordinating Committee considered the Budget Planning Framework and Medium Term Financial Plan 2023/2024– 2026/2027 report which was referred from the December Cabinet meeting.

Scrutiny Coordinating Committee commented as follows:

“The Scrutiny Coordinating Committee acknowledges the information contained in the detailed report as well as noting a number of uncertainties that remain around funding and the local government settlement which would be resolved in due course.

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

The Committee would also recommend that consideration is given to the way we communicate with residents in the future and if a printed newsletter is needed.

The Scrutiny Coordinating Committee would also like to acknowledge the hard work of officers and members in the preparation of the budget and the medium-term financial plan.

The Committee will continue to monitor the budget through these reports and has no further comment to make at this time.”

**Proposed Council Tax for 2023/2024**

As detailed in the Council Report - Determination of Council Tax 2023/2024



## Medium Term Financial Plan (MTFP) 2023/2024 – 2026/2027

### 1 Purpose of the MTFP

- 1.1 The MTFP is a key part of the Council's Budget Policy framework. It aims to ensure that reduced resources are aligned to ensure that the residents of Sunderland are offered the best possible public services in future.
- 1.2 The current MTFP sets out the strategic financial position and financial direction of the Council over the next four years taking into account Council policy objectives, Government funding estimates, other resources and service pressures. It is regularly updated to reflect the changes in local government finance. The key objectives of the plan are:
- To ensure the continued strong financial resilience of the Council;
  - To identify and draw together strands of activity that will meet the reductions requirement; and
  - To continue to facilitate investment in regeneration activity and key priorities within the City Plan.

This summary draws out the current financial position and underpinning strategies and actions being followed to address the budget challenge. The MTFP is underpinned by the Efficiency Strategy set out at Appendix Gi.

- 1.3 While the following MTFP reflects the provisional local government finance settlement data for 2023/2024 released by the Government, there is considerable uncertainty over the impact of future local government settlements, Fair Funding Review and any changes to the business rates retention system in the medium term. The plan will be kept under review and updated as further details emerge.
- 1.4 The MTFP provides background planning assumptions covering:
- National funding and economic outlook (section 2);
  - Local funding position (section 3);
  - Spending pressures and commitments (section 4);
  - Summary overall budget gap (section 5);
  - Addressing the budget gap and Efficiency Strategy (section 6);
  - Capital and prudential borrowing (section 7);
  - Reserves and balances, and Reserves Policy (section 8);
  - Budget consultation and equality analysis (section 9);
  - Risk assessment (section 10); and
  - Conclusion (section 11).

## **2 National Funding and Economic Outlook**

- 2.1 The Bank of England's (BoE) Monetary Policy Committee (MPC) voted to raise the Base Rate for a ninth consecutive meeting on 15<sup>th</sup> December 2022, taking it to 3.5%, the highest level since November 2008. This reflects their commitment to combat inflationary pressures, even at the risk of hampering growth, to ensure headline CPI inflation drops back to its 2% target over a three-year timeframe.
- 2.2 GDP fell by 0.3% quarter on quarter ending 30<sup>th</sup> September, which probably marked the start of the UK recession. Protracted and escalating strike action is expected to see the economy contract marginally in the final quarter of 2022 and the BoE's new forecasts predict a deeper and longer recession than market analysts were expecting, of eight quarters and with a peak-to-trough fall in real GDP of 2.9%.
- 2.3 CPI inflation looks to have peaked at 11.1% in October, a 41-year high, before falling to 10.5% in December 2022. Goods price inflation, which is largely driven by global factors, has peaked and the sharp rises in energy prices in 2022 mean that energy price inflation will fall sharply in 2023. Despite the cost-of-living squeeze, the BoE will want to see evidence that wage growth isn't spiralling upwards if extensive strike action is successful in achieving large pay increases.
- 2.4 The Government's medium to longer term approach to addressing its financial position is still being developed and the one-year funding settlement for local government again provides limited certainty for the Council.
- 2.5 The Council continues to make representations, including through SIGOMA and ANEC, to highlight the inadequacy and unfair distribution of local government funding, as well as the short-term nature of the funding announcements which makes financial planning difficult. Whilst the local government settlement did little to provide reassurance that these messages are being heard, the Government's March 2023 budget will provide an indication of any possible funding boost or funding shift to local government or the region in the near future.

### 3 Local Funding Position

#### Core Spending Power

3.1 The Government uses a measure known as the Core Spending Power (CSP) to indicate the impact of changes in funding. For 2023/2024, this measure includes:

- Settlement Funding Assessment (SFA) comprising:
  - Revenue Support Grant (RSG);
  - Baseline Funding (Top Up Grant); and
  - Assumed Retained Business Rates.
- Compensation for the under-indexing of the Business Rates Multiplier;
- Council Tax Income, which the Government assumes a 4.99% increase is applied in addition to additional income from growth in the council tax base;
- Local Government element of the Improved Better Care Fund;
- New Homes Bonus;
- Social Care Grant;
- ASC Market Sustainability and Improvement Fund;
- ASC Discharge Fund; and
- Services Grant.

3.2 In December 2023, as part of the Provisional Local Government Finance Settlement 2023/2024, the Government provided details of their assumptions on CSP for 2023/2024.

	2022/23	2023/24	change	change
	£m	£m	£m	%
Settlement Funding Assessment	114.844	121.554	6.710	5.84%
Compensation for under-indexing Business Rates Multiplier (Section 31 Grant)	8.776	15.174	6.398	72.90%
Council Tax Requirement excluding parish precepts	114.706	121.365	6.659	5.81%
Improved Better Care Fund	18.684	18.684	0.000	0.00%
New Homes Bonus	1.842	1.183	-0.659	-35.78%
Social Care Grant	18.586	29.337	10.751	57.84%
Market Sustainability and Fair Cost of Care Fund	1.058	0.000	-1.058	-100.00%
Market Sustainability and Improvement Grant	0.000	3.671	3.671	100.00%
ASC Discharge Grant	0.000	2.619	2.619	100.00%
Lower Tier Services Grant	0.525	0.000	-0.525	-100.00%
Services Grant	5.920	3.336	-2.584	-43.65%
Grants rolled in	1.373	0.000	-1.373	-100.00%
<b>Sunderland Total Core Spending Power</b>	<b>286.314</b>	<b>316.923</b>	<b>30.609</b>	<b>10.69%</b>
<i>Memorandum National Position</i>				9.17%

3.3 CSP will increase by an average 9.17% nationally in 2023/2024. For Sunderland the increase is 10.69% (based upon a Government assumed council tax increase of 4.99%) as shown in the table above. As noted, nationally 38% of this increased spending power is assumed from Council Tax rises. Given Sunderland's relatively lower Council Tax base this proportion is much lower, at 21.8%.

3.4 For Sunderland there is a 5.84% increase in SFA for 2023/2024. The relatively low percentage increase is as a result of the continued business rates multiplier freeze for 2023/2024 for which councils are compensated through Section 31 grant funding. Although the Section 31 grant compensation is part of the Council's CSP, it is outside of the SFA element of funding. It should be noted that actual business rates taken in to account in the revenue budget is dependent on the Council's own position which will be confirmed within the

National Non-Domestic Rates ('NNDR') statistical collection Form 1 (budget forecast). The increase in Revenue Support Grant is in line with inflation and is further increased as the previously separate grants for Family Annex Council Tax Discount Grant, Local Council Tax Support Administration Subsidy Grant and Food Safety Enforcement Grant have been merged in to RSG from 2023/2024.

## **Business Rates**

### 3.5 Current funding mechanism

3.5.1 Under the current funding mechanism, the expected local income from business rates is divided between the central and local share:

- 50% of business rates are paid to Central Government as the national 'central' share to be redistributed to pay RSG and police funding; and
- 50% is retained locally. Of this 50% the Council must distribute 1% to the Tyne and Wear Fire and Rescue Authority.

3.5.2 The Council must determine for itself the level of forecast Business Rate income to take into account in setting its budget taking account of the latest information available. As regeneration activity accelerates in line with the City Plan, the growth projections will be kept under review.

### 3.6 Risk arising from Appeals

3.6.1 The outcome of valuation appeals continue to be a risk. Under the current system, successful appeals reduce the base income collectable for future years with the Council losing income to the value of 49% of the value of successful appeals. The Government introduced a new appeal system from April 2017 with a check, challenge and appeal system intended to make appeals quicker and more efficient and to reduce speculative appeals.

3.6.2 The Government will only fund losses on business rates collection through the safety net mechanism after a certain level of loss has been incurred. Based on our assumptions on business rates income collection, business rates collected would have to fall by £15m before the threshold is triggered and the Council receives any safety net funding from the Government.

### 3.7 Top Up Grant / Tariff

3.7.1 A system of Top Up Grant and Tariffs allows locally retained business rates to be redistributed from high business yield authorities to low yield authorities. Sunderland is a Top Up authority, receiving £47.190m in 2023/2024. Top Up grant is generally increased annually by inflation.

3.7.2 The Government has previously indicated that a system of Top Up and Tariffs will continue following the Business Rates Review in order to ensure a degree of equalisation in the allocation of resources across councils. The outcome of this will be critical for the Council in understanding its future funding and financial sustainability.

### 3.8 Section 31 Grant - Business Rates

- 3.8.1 The Government has made a number of changes to the business rate retention system since its introduction in 2013/2014, including capping of annual increases, increases in Small Business Rate relief and significant reliefs to support businesses during the pandemic. The Government have confirmed an extension to the Retail, Hospitality & Leisure reliefs grant in to 2023/2024 in response to the cost of living crisis impact on these sectors.
- 3.8.2 The Government will continue to fully compensate councils for any consequential shortfall in income through Section 31 grant. The amount of grant due to the Council is dependent on the NNDR1, submitted to the Government at the end of January and any subsequent business rates reliefs announced by the Government.

### **Other Core Grant and Revenue Funding**

#### 3.9 Improved Better Care Fund (IBCF)

- 3.9.1 The Improved Better Care Fund (IBCF) 2023/2024 allocation has been frozen at the 2022/2023 level. This is in line with budget planning forecasts.

#### 3.10 New Homes Bonus Grant

- 3.10.1 The national quantum of funding available for NHB has been reduced by £264m, to £291m for 2023/2024. The funding removed from this budget area has been utilised by Government to fund increases elsewhere in the provisional settlement. Sunderland's allocation of NHB has reduced from £1.842m in 2022/2023 down to £1.183m in 2023/2024. Given the potential phasing out of this grant implied by the latest settlement and the Government's intention to consult on NHB during 2023/2024, future years' assumed allocations have been prudently removed from budget planning from 2024/2025.

#### 3.11 Social Care Grants

- 3.11.1 As anticipated, Social Care Grant allocations from prior years have been maintained. In addition to this, a significant proportion of the increased investment into local government announced in the Chancellor's Autumn Statement has been directed towards Social Care, namely;

- Social Care Grant - Repurposing of funding previously earmarked by the Government for Social Care Charging Reforms of £1.346 bn nationally in 2023/2024 and a further £0.612 billion in 2024/2025. The Chancellor announced the postponement of the Social Care reforms plans from October 2023 to October 2025. The earmarked funding to implement a care cost cap and increase the upper capital limit for accessing care, is now being released to allow councils to meet their mounting financial pressures in both adults and children's social care delivery. It is unclear how the reforms, which have been delayed until October 2025, will subsequently be funded.

From this allocation Sunderland will receive additional funding of £9.936m in 2023/2024, budget planning has been updated

accordingly. The previously separate, Independent Living Grant (£815,000) has now been merged into this allocation from 2023/2024.

- ASC Market Sustainability and Improvement Fund – additional national allocation of £0.400bn in 2023/2024 (a further £0.282bn in 2024/2025). The Government expects this new grant funding will “enable Councils to make tangible improvements to adult social care and, in particular, to address discharge delays, social care waiting times, low fee rates, workforce pressures, and to promote technological innovation in the sector”.

From this allocation Sunderland will receive additional funding of £2.613m in 2023/2024, budget planning has been updated accordingly.

- ASC Discharge Fund – New national allocation of £0.3bn in 2023/2024 (a further £0.2bn in 2024/2025) will be distributed to councils to help “ensure those people who need to draw on social care when they are discharged from hospital can leave as soon as possible, freeing up hospital beds for those who most need them”.

From this allocation Sunderland will receive additional funding of £2.619m in 2023/2024 which must be pooled with existing iBCF funding - budget planning has been updated accordingly.

These grants will support the specific rising cost pressures on adults and children’s social care as noted in prior reports, and also in paragraphs 7.1 to 7.2 below. Details of any conditions and additional reporting requirements are awaited.

### 3.12 Lower Tier Services Grant

3.12.1 The Lower Tier Services unringfenced grant was introduced in 2021/2022 with £111m allocated to councils with responsibility for services such as homelessness, planning, recycling and refuse collection and leisure services. In 2022/2023 Sunderland’s allocation was £0.525m. This grant has been abolished from 2023/2024 to fund increases elsewhere in the settlement. Budget planning has been updated from 2023/2024 to reflect the loss of this grant.

### 3.13 Services Grant

3.13.1 In recognition of the service delivery cost pressures facing councils, a new Services Grant totalling £822m nationally was announced for 2022/2023. This national grant allocation has been significantly reduced in 2023/2024, beyond that assumed in relation to the cost of the abolished national insurance contributions for social care, to fund increases elsewhere in the settlement. Sunderland’s allocation has reduced from £5.920m in 2022/2023 down to £3.336m in 2023/2024 - budget planning has been updated accordingly.

### 3.14 Public Health Grant

- 3.14.1 At the time of writing, the allocation for the Public Health grant remains outstanding. The 2021 Spending review did indicate Public Health grant funding will be maintained in real terms, indicating an inflationary based increase. The budget planning will be updated as required when the final grant allocation for 2023/2024 is known.
- 3.14.2 At this stage the expectation is that Public Health grant will in the future be absorbed into the new Fair Funding regime. In May 2018, the Government working group looking at Public Health allocations indicated they were 'minded to' adopt the 2013 recommendations of the Advisory Committee on Resource Allocation, the "ACRA" methodology, to the allocation of Public Health funding, and to roll the funding into the overall funding position for councils. When this methodology was previously consulted upon in 2016, indications were that Sunderland, along with most other North East councils, would lose a substantial proportion of funding.
- 3.14.3 While the above is a significant concern, at this stage there is no indication of the impacts of any other aspects of the fair funding review which might equally benefit the Council e.g. as a result of deprivation indicators, and as such the MTFP will plan for a neutral position until full details emerge.
- 3.15 Housing and Council Tax Benefit Administration and Local Council Tax Support Administration Grant
- 3.15.1 Notification of the Housing Benefits and Council Tax Administration grants, comes outside of the settlement. For 2023/2024 the grant allocation is assumed to be unchanged. The position will be kept under review and the MTFP updated as more details emerge.
- 3.16 Impact of Spending Review, Fair Funding Review and revised system of retained business rates
- 3.16.1 The outcome of the proposals to change the way local government is funded with changes to the business rates system, full cessation of Revenue Support Grant, and a transfer of any responsibilities which will need to be funded from retained business rates will be critical to the future sustainability for Council services.
- 3.16.2 The Government has previously set up a number of working groups to progress this agenda and various consultation documents have been released and responded to. Progress on the reform activity was significantly hampered as the Government responded to the global pandemic but following the changes in Minister and actions to achieving 'Levelling Up' progress is expected in the short to medium term. As and when more details emerge, the MTFP will be updated accordingly.

## **Locally Raised Income**

### **3.17 Council Tax**

3.17.1 In the Settlement, the Government confirmed the referendum threshold from April 2023, being that the core element is subject to a maximum increase of up to 3%. Social Care authorities can levy an additional 2% in respect of the social care precept. Any increase above the council tax limit will require a referendum to give the local electorate the opportunity to approve or veto the increase.

3.17.2 The council tax base for 2023/2024 has increased from 2022/2023 primarily due to an anticipated reduced uptake of the Local Council Tax Support Scheme during 2023/2024 and also increases in house building across the City.

### **3.18 Local Council Tax Support Scheme**

3.18.1 The current local council tax support scheme was introduced in 2013/2014, with only minor changes since that time. The scheme supports council tax payers in need of financial help within the scheme's parameters. The main feature of the current scheme is that working age people who receive help pay a minimum of 8.5% of their council tax bill.

### **3.19 Schools Funding**

3.19.1 Cabinet agreed in January to the principles proposed by the Sunderland Schools Forum for the 2023/2024 Sunderland local funding formula. The National Funding Formula (NFF) is to be implemented with the following local adjustments, which were modelled so as to give an equitable settlement to all Sunderland schools whilst moving towards the NFF:

- The Basic Entitlements set at Primary £3,335.78, Key Stage 3 £4,716.96, Key Stage 4 £5,320.67; and
- Transfer of 0.5% (£1,012,591) to the High Needs Block in recognition of ongoing pressures.

Sunderland is deemed to be at Full NFF as all factors are within the NFF allowable parameters.

## **4 Spending Pressures and Commitments**

4.1 Spending pressures and commitments for 2022/2023 are detailed in section 5 of the Cabinet Report.

4.2 Future years spending pressures, at this stage predominantly consist of;

- Pay and price increases, including contract inflation and pay award increases;
- Demand and cost pressures for both Adults and Children's Social Care; and
- The impact of capital priorities both in terms of debt charges and any associated operational costs.



- 4.3 The continued pressure on both Adults and Children’s Social Care budgets will be kept under review throughout the MTFP period and further additional provision included where necessary.
- 4.4 In addition, as part of the Autumn Statement 2022 the Chancellor announced the postponement of the Social Care reforms plans from October 2023 to October 2025. The earmarked funding to implement a care cost cap and increase the upper capital limit for accessing care, is now being released to allow councils to meet their mounting financial pressures in both adults and children’s social care delivery. It is unclear how the reforms, which have been delayed until October 2025, will subsequently be funded.
- 4.5 The cost pressures and commitments across the MTFP period are summarised below:

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
<b>Spending Pressures and Commitments</b>					
Pay	14.652	3.938	4.060	4.170	<b>26.820</b>
Energy	5.566	0.500	0.500	0.500	<b>7.066</b>
Other Price and Contract Inflation (inc.Social Care)	18.338	8.020	8.711	6.465	<b>41.534</b>
Social Care Demand Pressures	9.084	1.119	1.500	1.500	<b>13.203</b>
Transport Levy	0.711	0.600	0.500	0.500	<b>2.311</b>
Pest Control	0.380	0.000	0.000	0.000	<b>0.380</b>
Free Bin replacements	0.250	0.000	0.000	0.000	<b>0.250</b>
Bulky Waste	0.410	0.000	0.000	0.000	<b>0.410</b>
Other Service Pressures	1.544	0.500	0.000	0.000	<b>2.044</b>
Capital Financing	0.000	5.630	3.000	3.000	<b>11.630</b>
Pensions Actuarial Review	0.000	0.000	0.000	2.000	<b>2.000</b>
<b>Total Spending Pressures and Commitments</b>	<b>50.935</b>	<b>20.307</b>	<b>18.271</b>	<b>18.134</b>	<b>107.648</b>

## 5 Summary Overall Budget Gap 2023/204 to 2026/2027

- 5.1 In relation to the period beyond 2023/2024, at this stage no information has been released by the Government regarding allocations to individual councils. Therefore, for the purposes of preparing an MTFP at this stage, an assumption has been made that when any revised system of retained business rates is implemented and the impact of the fair funding review are fully worked through, the Government will take action to ensure a ‘status quo’ impact on the funding position for each council through the top-ups and tariffs system or damping, to ensure no detrimental impact on each council’s overall funding position.
- 5.2 Taking into account the issues set out in section 3, and section 4 and the assumptions at 5.1, the overall position for funding changes for Sunderland and spending pressures and commitments is assumed as set out below:

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Government Grant Changes	(23.810)	(10.386)	(0.991)	(1.011)	<b>(36.198)</b>
Total On-going Spending Pressures and Commitments	50.935	20.307	18.271	18.134	<b>107.648</b>
<b>Initial Funding Gap</b>	<b>27.126</b>	<b>9.921</b>	<b>17.280</b>	<b>17.123</b>	<b>71.450</b>

- 5.3 Based on high level assumptions, the on-going funding gap for 2023/2024 to 2026/2027 is in the region of £71.450m. However, this position is subject to change given the significant uncertainties in the funding system at present.

## 6 Addressing the Budget Gap and Efficiency Strategy 2023/2024 to 2026/2027

6.1 As reported to Cabinet in December 2022 and subsequently in January 2023, plans of £13.378m have been developed to seek to address the funding gap in 2023/2024. Further detail on the savings plans is set out in Appendix A of the main Budget report and further plans will be developed to address the remaining budget gap.

6.2 In addition, the following table shows that:

- Council tax and Social Care Precept increases in line with the current budget planning assumption of 2.99% would generate further resources to support the budget position over the four years to 2025/2026. While decisions on council tax and social care precept increases will be taken as part of the budget process on an annual basis.
- Assumed increases in the council tax and business rate bases as a result of new home growth and regeneration activity over the three years will further support the budget.

These will reduce the overall budget gap to £40.865m for the period to 2026/2027.

	2023/24	2024/25	2025/26	2026/27	Total
	£m	£m	£m	£m	£m
Spending Pressures and Commitments	50.935	20.307	18.271	18.134	107.648
Government Grant Change	(23.810)	(10.386)	(0.991)	(1.011)	(36.198)
Savings Proposals	(13.378)	(0.179)	0.086	1.778	(11.693)
Collection Fund Impact - Council Tax	(4.897)	(4.507)	(4.414)	(4.566)	(18.383)
Collection Fund Impact - NNDR	(5.281)	2.214	(1.427)	(1.446)	(5.940)
<b>Current MTFP Gap</b>	<b>3.570</b>	<b>7.449</b>	<b>11.525</b>	<b>12.890</b>	<b>35.435</b>
Previously Agreed Use of MTFP Smoothing Reserves	(3.570)	0.000	5.430	3.570	5.430
<b>Current MTFP Gap after previous agreed use of reserves</b>	<b>(0.000)</b>	<b>7.449</b>	<b>16.955</b>	<b>16.460</b>	<b>40.865</b>

6.3 The Council's approach to delivering the savings requirement is encapsulated in the Efficiency Strategy 2023/2024 to 2026/2027 (attached as Appendix Gi).

6.4 Further updates on the Efficiency Strategy will be provided to Cabinet in light of the emerging funding framework and the MTFP 2023/2024 to 2026/2027 will be refined and updated as this work progresses.

## 7 Capital and Prudential Borrowing

7.1 The revenue implications of the Council's Capital Programme are considered as part of the process for setting the Capital Programme. The revenue impact of the Capital Programme is reflected in the MTFP, in particular the costs associated with the level of prudential borrowing required to deliver the Capital Programme.

7.2 The four year Capital Programme for 2023/2024 to 2026/2027 was set to take account of the reductions in available external funding and the increased pressure on the Council's resources.

7.3 New capital schemes for 2023/2024 and beyond, which meet key priority objectives will be considered in light of available resources as the budget process progresses. The Council's Capital Strategy reflects the Council's approach to prioritisation of projects for investment, while the borrowing strategy reflects appropriate parameters to ensure value for money considerations are safeguarded.

## **8 Reserves and Balances, and Reserves Policy**

8.1 The Local Government Finance Act 1992 requires local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

8.2 In establishing reserves, the Council must comply with the Code of Practice on Local Authority Accounting in the United Kingdom. The Chief Finance Officer will consider the level of reserves as part of the budget setting process and provide a statement on the adequacy of reserves.

8.3 The Council's policy on reserves is as follows:

- The Council will maintain its general reserve at a minimum of £12.0m to cover any major unforeseen expenditure. The Council will aim to balance its revenue budget over the period of the MTFP without reliance on the use of the general reserve; and
- The Council will maintain earmarked reserves for specific purposes which are consistent with achieving its key priorities and these will be kept under regular review.

8.4 Other than the General Reserve, all reserves are earmarked for specific purposes. The forecast balances on earmarked reserves at 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2024 are attached at Appendix I for information.

8.5 A general reserve of £12m is held to provide a level of contingency and meet any unforeseen expenditure and support the budget as currently agreed as set out in Appendix F. A full analysis of reserves is included annually in the Statement of Accounts. A financial risk analysis in respect of the level of general reserve is set out at Appendix H.

## **9 Budget Consultation and Equality Analysis**

9.1 The budget process for 2023/2024 included a consultation exercise that concluded on the 8<sup>th</sup> January 2023. A summary of the response to the consultation is set out at Appendix C of the main report.

9.2 The Council continues to fully consider the impact of its plans by following a robust approach to equalities analysis. The Council continues to seek to meet its obligations in relation to equality and diversity and has procedures in place at both a general and budget specific level to incorporate equality and diversity issues into decision making processes and the assessment of proposals.

## **10 Risk Assessment**

- 10.1 A comprehensive financial risk assessment is undertaken for the Revenue and Capital Budget setting process to ensure that all risks and uncertainties affecting the Council's financial position are identified. These are reviewed as part of the refresh of the MTFP. The key strategic financial risks to be considered in developing the MTFP are as set out at Appendix Gii.

## **11 Conclusion**

- 11.1 The Government has announced funding levels for 2023/2024 but as yet has provided no allocations of funding beyond that year. The impact of the Fair Funding Review, and any proposed changes to the retained business rates could all have a significant impact on the future funding level available for services in Sunderland. The financial planning assumes at this stage that the Government will take action through the Top Up and Tariffs or damping arrangements so that no council is significantly adversely affected by the combined impact of the changes. However, even with this assumption, the Council faces the requirement for significant budget reductions as a result of the unfunded spending pressures which the Council faces each year, with a three year ongoing savings requirement for 2024/2025 to 2026/2027 in the region of £40.865m, after assumed increases in council tax.
- 11.2 In seeking to minimise the impact on residents and the city, the Council, will increasingly need to take a citywide approach with partners in health, education and the business sector together with our communities to collectively reshape services to enable the best response for the city. The Council's role will increasingly need to shift from delivering services to enabling individuals, communities and other organisations in the public, private and voluntary sectors to work together to address the needs of the city in new ways and to encourage people to be more self-supporting.
- 11.3 In the short term, all funding options, including budget savings and council tax levels and commitments against reserves, will be considered to allow a balanced and sustainable budget over the period to 2026/2027 to be agreed.

## Efficiency Strategy 2023/2024 to 2026/2027

The following strategy sets out the Council's overarching approach to meeting the financial challenge as a result of the Government's funding reductions and unfunded cost pressures.

The Efficiency Strategy, as set out, follows the previous format required to satisfy the Government's four year funding settlement, the final year of which was 2019/2020. An Efficiency Strategy is required in order to make use of the capital receipts flexibility arrangements for funding transformational costs.

It is recognised that the impact of the Spending Review 2021, Autumn Statement 2022, the Fair Funding Review and any changes to the business rates system could have a significant effect on the assumptions within the MTFP as set out at Appendix G, which in turn will impact upon the approach set out in this Efficiency Strategy. The Efficiency Strategy will therefore be kept under review and the approach updated as required throughout 2023/2024.

### **1 Purpose**

- 1.1 The Efficiency Strategy 2023/2024 to 2026/2027 sets out the overall approach to the delivery of the required savings to address funding issues and spending pressures during the period.

### **2 Objectives of the Efficiency Strategy**

- 2.1 The Efficiency Strategy is intended to:
- enable a balanced budget to be achieved throughout the period of the MTFP;
  - ensure the best use of resources available;
  - ensure the financial resilience of the Council is maintained; and
  - comply with the Government's requirements in relation to proposed use of Capital Receipts Flexibility.
- 2.2 The Council is committed to delivering continual improvement and to providing services that represent good value for money to its residents. Through planning and financial and performance management arrangements the Council ensures that value for money is embedded into the culture of the Council's activities and its arrangements with partners.
- 2.3 The approach set out reflects the Council's approach and arrangements for delivery of savings as part of medium term financial planning.

### 3 Context

- 3.1 This Efficiency Strategy integrates the Council's commitment to strengthening its Community Leadership role in the city. As a democratically elected body, the Council will continue to be:
- a champion and advocate for Sunderland communities and interests; and
  - a focal point of leadership for partners to work together to deliver on priority outcomes.

### 4 The Financial Challenge - Medium Term Financial Plan

- 4.1 The MTFP set out at Appendix G shows savings requirements of £71.450m through to 2026/2027 as follows:

	2023/24	2024/25	2025/26	2026/27	Total
	£m	£m	£m	£m	£m
Government Grant Changes	(23.810)	(10.386)	(0.991)	(1.011)	<b>(36.198)</b>
Total On-going Spending Pressures and Commitments	50.935	20.307	18.271	18.134	<b>107.648</b>
<b>Initial Funding Gap</b>	<b>27.126</b>	<b>9.921</b>	<b>17.280</b>	<b>17.123</b>	<b>71.450</b>

After taking into account assumed increases to council tax, additional ongoing savings or additional funding of £40.865m are estimated to be required over the period to 2026/2027 in order to achieve a balanced position.

- 4.2 The Revenue Budget and Proposed Council Tax for 2023/2024 report to February 2023 Cabinet includes proposals to meet the funding gap for 2023/2024. Section 5 below sets out the approach to develop a full suite of proposals to meet the remaining funding gap through to 2026/2027.
- 4.3 A further suite of proposals to balance the budget over the medium term will be considered by Cabinet in due course and form the basis of future consultation.

### 5 The Approach to meeting the funding gap

- 5.1 To deliver the scale of reductions faced by the Council over the medium term it is necessary to consider the role of the Council as change will be required to the way the Council operates in the future. This will inevitably impact on the services provided to communities.
- 5.2 This involves further transforming service delivery, reviewing service standards and commissioned activity and prioritising resources to support statutory requirements and key priorities as set out in the City Plan.
- 5.3 Programme of service activity

There will be a continued and iterative development of a programme of activity to address the gap taking into account the strategic vision of the Council's role in the future and reflecting the following key principles.

For all service areas this includes consideration of:

- Ensuring resources are targeted on statutory and front-line services and protecting key priority services with a focus on need rather than want;
- Managing demand - implementing strategies and policies that enable the Council to manage demand and facilitate those services which make a difference in the most effective way;
- Being customer focussed - using robust data and information to understand our resident's needs and maximising opportunities through use of technology for both our customers and internal users, so that people self-serve wherever possible and eliminate waste and duplication;
- Redesigning and reshaping services to deliver required outcomes in a value for money way which maximises productivity;
- Strategic commissioning based on outcomes and using an intelligence-based approach to ensure a sound evidence base for commissioning decisions and effective commissioning arrangements;
- Pressing forward with new models of service delivery that improve our commercialisation, to maximise income opportunities where there is a market and business case;
- Ensuring opportunities for collaboration with partners to deliver key outcomes that matter to the city;
- Ensuring that our internal, support services respond appropriately to the changing shape and size of the Council;
- Involving the Community – residents, businesses, partners and voluntary sector to ensure best outcomes for the city; and
- Continued focus on regeneration and inward investment in order to grow business rate and council tax income, leveraging funding to maximise additional income sources and opportunities.

A transformational review process of corporate services commenced during 2021/2022 and has delivered improved services, efficiencies, and financial savings from 2022/2023. Further reviews will continue during 2023/2024.

#### 5.4 Income maximisation

5.4.1 In addition to pursuing service related activity strategies as set out at paragraph 5.3, focus will also be made on maximising income levels:

##### Retained Business Rates

5.4.2 Under the current retained business rates mechanism for funding local government, the Government makes assumptions about the level of Business Rates which will be achieved and retained by a local authority in determining its SFA. However, the Council must determine for itself the anticipated level of Business Rate Income collection.

5.4.3 The regeneration activity delivered to date and the implementation of the Council's Capital Strategy will help grow the business rates base within the city.

- 5.4.4 The Efficiency Strategy and MTFP assumes prudent growth in the business rates base of £0.500m per annum based on historical growth, forecast developments impacting on the business rates baseline, and the volatility of the appeals position.

#### Council Tax

- 5.4.5 Recent years have seen sustained growth in the council tax base as new houses have been built, bringing with it benefits in terms of both increased council tax income and New Homes Bonus grant, although the latter now looks to be being phased out by Government. The impact of the regeneration activity driven by the City Plan and the Capital Strategy will further help grow the availability of housing in the city resulting in additional council tax income which will assist in meeting the cost of services. Over the medium to long term there are a number of proposed residential developments including Siglion's proposed developments at Seaburn, Chapelgarth and Vaux as well as the wider South Sunderland Growth Area. Such development activity will take on even greater importance as the Government removes core grant funding in favour of local self-sufficiency.
- 5.4.6 The Efficiency Strategy and the MTFP assumes growth in the council tax base through to 2026/2027, reflecting growth based upon historical experience and known development activity which will impact during the period of the MTFP.
- 5.4.7 The provisional Local Government Finance Settlement for 2023/2024 includes assumptions that councils will raise council tax annually in line with the level allowed without a local referendum in addition to applying the maximum social care precept. The Council will consider the position regarding council tax as part of each annual budget process.

#### Fees and Charges

- 5.4.8 A review of all fees and charges takes place on an annual basis in accordance with the Council Fees and Charges Review Policy to ensure that opportunities to maximise resources are followed through.
- 5.4.9 Opportunities for new charges continue to be actively pursued by Directors as part of the improvement planning process and these will be reflected within future savings plans to be considered by Cabinet in due course.

#### 5.5 Capital Programme and Regeneration Activity

- 5.5.1 The Council's approach to capital planning is set out in the Capital Strategy, approved by full Council in October 2022. This encompasses the aims of the City Plan with an overall ambition that by 2035 Sunderland will be a connected, international city with opportunities for all.



5.5.2 The key themes to achieving our ambition are that by 2035 Sunderland will be a:

- **Dynamic smart city.** This includes a lower carbon city with greater digital connectivity for all; more and better jobs; more people with better qualifications and skills; a stronger city centre with more businesses, housing and cultural opportunities; and more and better housing;
- **Healthy smart city.** This includes reduced health inequalities enabling more people to live healthier longer lives; access to equitable opportunities and life chances; people enjoying independent lives; great transport links with low carbon and active travel opportunities for all; and a cleaner and more attractive city and neighbourhood; and
- **Vibrant smart city.** This includes more resilient people; more people feeling safe in their homes and neighbourhoods; more residents participating in their communities; and more people visiting Sunderland and more residents informing and participating in cultural events, programmes and activities.

5.5.3 In addition, the continuing focus for the Council is on serving all our residents in Sunderland with the best possible services and support with a focus on long term benefits for our children and young people beyond 2035. As community leaders for the city we also have the role to help steer the city with our partners to achieve its true potential. This includes our commitment to our values – We Innovate, We Enable and we are Respectful. This is in line with our commitment to creating community wealth and working within the principles of a co-operative council.

5.5.4 A key priority of the capital programme 2023/2024 to 2026/2027 is to continue to support plans for the regeneration of the City Centre, including Riverside Sunderland, IAMP, Enterprise Zones, the continued development of city wide infrastructure and to support housing delivery and growth.

5.5.5 The Council will continue to focus on securing capital investment in the city in order to deliver growth and jobs. The Council will work with partners to continue to invest in the regeneration of the city to maximise the use of resources available and delivery of outcomes. This in turn will help maximise income available to the city through council tax and business rates.

5.5.6 The Capital Programme will be kept under review in light of the delivery of savings plans and associated transformational costs arising. The programme may need to be revised to enable utilisation of capital receipts flexibilities or realignment of earmarked capital reserves to meet transformational costs or to support the overall budget position.

## 5.6 Leverage of External Funding

5.6.1 The Council continues to monitor and maximise external funding opportunities to support city priorities across a range of key areas encompassing economic development, housing and strategic infrastructure, community support and regeneration, education and skills, low carbon, smart city and digital connectivity, health and well-being, and culture and heritage. These key areas

of activity directly support delivery of the City Plan's three themes: dynamic smart city; healthy smart city; and vibrant smart city.

- 5.6.2 Significant investment has been secured over the last 5-6 years from government and regional funds to support major infrastructure priorities, including Riverside Sunderland, the International Advanced Manufacturing Park, Sunderland Strategic Transport Corridor, the Port of Sunderland Enterprise Zone, and a range of other strategic, housing and digital infrastructure projects.
- 5.6.3 With North East Local Enterprise Partnership and European funding programmes either fully committed or ending in 2023/2024, the Council continues to track and respond to funding opportunities linked to the Government's Levelling Up objectives alongside a wide range of other funding sources.
- 5.6.4 Recent substantial external funding approvals have also been secured for the following regeneration projects, all of which are currently in delivery:
- £25.4m support from the Housing Infrastructure Fund for the South Sunderland Growth Area project.
  - £21.6m Transforming Cities Fund support for the redevelopment of Central Station and other priority transport investments.
  - £25m Future High Streets Fund grant for a city centre transformation programme involving the delivery of Culture House and other key sites.
  - £7m Getting Building Fund grant to support digital and strategic infrastructure in the city centre and riverside areas, and for investment in additional energy infrastructure on the Hillthorn Business Park site in Washington.
  - £15m from the Department for Business, Energy and Industrial Strategy to support the development of a strategic energy grid on the International Advanced Manufacturing Park.
  - £20m Levelling Up Fund (round 1) grant to support the City Centre Housing Ecosystem project, which comprises the construction of the Housing Innovation and Construction Skills Academy, and support for the development of two sustainable housing developments in Riverside Sunderland and Sunnyside.
  - £2.1m from Homes England's Home of 2030 programme to support smart and sustainable housing on the Vaux Neighbourhood site within Riverside Sunderland.
- 5.6.5 A wide range of capital funds have also been secured to support projects which support delivery of the city's low carbon objectives, such as:
- £2.2m from the Public Sector Decarbonisation Scheme to invest in public sector building energy efficiency measures.
  - £5.2m European Regional Development Fund grant to support the Vaux Housing Smart Energy Grid, as well as extensive investment in battery storage, solar PV and electric vehicle charging infrastructure on a range of council sites.
  - £3.9m secured to support energy efficiency improvements in the worst performing, fuel poor housing in the city.

- £2.2m from the Green Heat Network Fund to support feasibility and development of a city centre heat network.
- 5.6.6 In early December 2022, the Council received confirmation from the Government that Sunderland's £15m UK Shared Prosperity Fund Investment Plan had been approved. The £15m programme comprises approximately £12m revenue grant and £3m capital, with delivery of activities to take place from 2022/23 to the end of March 2025. The programme will support a wide range of project activities under 3 main investment priorities: (1) Communities and Place; (2) Supporting Local Business; (3) People and Skills.
- 5.6.7 Following the announcement on 28 December 2022 that the Government and North East local authorities are minded to agree a devolution deal, it is anticipated that additional funding opportunities for capital investment will be unlocked including control of a long-term regional investment fund and a city region sustainable transport settlement. Additional funding will also be identified to support the building of new homes on brownfield land and to drive place-based economic regeneration.
- 5.6.8 The Council and its partners continue to access and explore new opportunities to invest in the city's cultural and heritage offer, while also improving and enhancing access to recreation facilities and natural green spaces across the city. This involves pursuing other sources of funding, such as the National Lottery Heritage Fund, Historic England, National Lottery Community Fund, Arts Council England, Sport England, Football Foundation and other major funders.
- 5.6.9 The Council works closely with Sunderland Culture who were successful in late 2022 in securing a further 3 years of National Portfolio Organisation funding from Arts Council England, ensuring that key cultural venues and cultural programmes continue to be invested in and are further enhanced during the 2023-26 period. The Council will be undertaking important feasibility and design work during the next 1-2 years to redevelop the Sunderland Museum and Winter Gardens. A development grant award of £0.3m from the National Lottery Heritage Fund has recently been secured allowing work to proceed on the preparation of a full design and bid proposal which will be submitted in 2024.
- 5.6.10 The Council continues to secure and manage external funding for projects which directly target support in the most deprived communities or most disadvantaged groups within the city. These include more than 35 local projects funded through Sunderland's £5m Community Led Local Development programme and £1.5m Community Renewal Fund programme, both of which will close in 2022/2023. Additional funds have also been secured to support domestic abuse victims, people with physical and mental health issues, children and young people with special educational needs, community safety, housing support and crime prevention initiatives, and a range of local educational and skills projects supported by the new Multiply programme or through the Adult Education Budget.
- 5.6.11 New opportunities across all these areas continue to be monitored on an ongoing basis so that the council and its partners are in the strongest position possible to secure additional funding to deliver the objectives of the City Plan.

## 5.7 Other Options for Future Funding

5.7.1 The reduction in both revenue and capital funding requires the Council to focus on new and existing opportunities for funding for example:

- Capital Funding - Bonds, Tax Increment Financing, asset backed partnerships, joint working with partners, infrastructure investment for enterprise zones underpinned by business rates growth;
- Trading opportunities; and
- Alternatives to revenue funding.

5.7.2 The Council will seek to maximise opportunities for funding priority spending. Some avenues have already been explored and implemented for example the formation of Sunderland Care and Support Limited, the formation of Siglion to bring forward and develop priority regeneration sites, the formation of Sunderland Lifestyle Partnership to develop, manage and operate a number of leisure facilities across the city. Other opportunities will continue to be explored and proactively developed as part of improvement planning activity in order to enable the Council to meet the ongoing challenges.

## 5.8 Partnership / Collaboration / Joint working activity

5.8.1 The Council's Community Leadership programme places increasing focus on working in partnership with public, third sector and private partners to deliver city-wide aims, priorities and strategies.

5.8.2 This includes consideration of how public money is spent across the city and regionally and working with partners to ensure combined spending generates the best possible value for the city in terms of both the city's infrastructure and asset base and services delivered to residents.

- The Capital Programme reflects ongoing work with key partners to review physical assets on a city-wide basis and maximise the potential benefits and opportunities of wider capital and infrastructure; and
- The Council alongside the Health partners have formed the All Together Better Alliance to further integrate health and social care in the community to improve outcomes for patients and social care users while reducing cost. Further work will continue alongside the Integrated Care Board.

5.8.3 Opportunities for joint working and collaboration with other local authorities to reduce costs will also be considered where appropriate.

## 5.9 Reserves and Balances

5.9.1 Regular reviews of all commitments against reserves are undertaken and reported to Cabinet on a quarterly basis. Reserves earmarked for specific purposes may be reprioritised in light of the delivery of savings plans proposals with consideration given to the release of such reserves to support the overall budget position and transformational costs as necessary.

## 5.10 Good housekeeping and general ongoing actions

5.10.1 The following actions are embedded within the budget management responsibilities of accountable officers to ensure savings are maximised at all stages:

- Continuous review of costs and planned spend to minimise non-essential spend and maximise savings;
- Challenge of all spending, working practises and culture;
- Understanding that spending pressures are to be contained within directorate existing budgets; and
- Annual refresher training with Budget Managers to ensure their roles and responsibilities as Budget Managers are clearly understood.

## 6 Invest-to-Save proposals linked to delivery of savings plans

6.1 Some future savings may require initial up-front investment to enable savings to be delivered - examples include investment in technology to enable improved productivity and reduced cost, or investment in extra care facilities to reduce numbers entering residential nursing care. Such Invest to Save proposals are considered on a case by case basis and subject to development of a business case with the investment recouped through savings generated over a period of time.

## 6.2 Use of Capital Receipts Flexibility to support transformational costs

6.2.1 As work on the Council's transformation programme continues, and proposals to address the future years' budget positions are progressed, transformational costs may arise. These costs may be ICT systems or other one-off costs and not just workforce planning costs.

6.2.2 In April 2022, and further updated in August 2022, Government confirmed the extension of the flexibilities allowing capital receipts generated in each year through to 2024/2025 to be used to fund transformational costs incurred in those years. The updated direction included some further restrictions; "... authorities may not use the flexibility to fund discretionary redundancy payments, i.e. those not necessarily incurred under statute. This does not affect other types of severance payments and, to be clear, does not restrict, including pension strain costs, which may still be qualifying expenditure." and "capital receipts obtained must be disposals by the local authority outside the group structure."

[Direction - Flexible use of capital assets \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

- 6.2.3 It is proposed to continue the approach adopted in recent years in relation to the capital receipts flexibility in order to ensure maximum flexibility in funding options available, with the capital receipts received potentially being utilised to meet workforce planning arrangements and other transformation costs arising in 2023/2024.
- 6.2.4 The Council's Efficiency Strategy supports the Government's requirements in making use of these flexibilities. The requirements in respect of prudential indicators are reflected in the Capital Programme 2023/2024 to 2026/2027 and Treasury Management Policy and Strategy 2023/2024 report elsewhere on this agenda.
- 6.2.5 The position will be kept under review throughout the year as transformational costs and capital receipts generated are finalised. Final arrangements on funding transformational costs arising in each year will be considered as part of the outturn position each year, taking account of the overall corporate outturn position, available reserves, and capital receipts availability. Should the use of capital receipts be required, this will be reported, with project details to Cabinet as appropriate.

## **7 Governance and Monitoring arrangements**

- 7.1 The strategy will be robustly managed to ensure financial resilience is maintained. Progress on the delivery of savings required will be closely monitored and reported upon. The arrangements include:
- The Cabinet Secretary is Member Champion for efficiency;
  - All initiatives proposed for inclusion in the programme to deliver the savings requirement are subject to scrutiny at all stages during the budget process prior to final inclusion in the programme, to ensure realistic likelihood of realisation, existence of baseline information, impact on outcomes, and assessment of risks;
  - All detailed initiatives / actions have a nominated Directorate lead officer who is accountable for ensuring successful implementation and delivery in accordance with timelines and financial savings;
  - Corporate performance monitoring arrangements include monitoring of the delivery of savings at Chief Executive and Directorate level and is embedded as part of the routine budget monitoring processes with reporting to Directorate Senior management teams and Portfolio Holders; and
  - Reporting to Cabinet on progress on delivery of annual savings on a quarterly basis.

## MTFP 2023/2024 to 2026/2027 Risk Assessment

Risk	Likelihood	Impact	Risk Management
1. Future available resources less than notified. The MTFP is based on data as known, but this does not reflect any potential impact of the Government Fair Funding review and move to any alternative retained business rates system. This is likely to be a key impact on the level of funding available in future.	Likely	High	Settlement confirmed RSG funding for 2023/2024 with forecasts beyond 2023/2024 based on an assumption that the Government will use Top up and Tariff mechanisms and damping to smooth impact on individual authorities of spending review, fair funding review and implementation of any alternative retained business rates. The MTFP is regularly updated to reflect latest intelligence. Annual review of reserves and reserves policy to identify available future resources.
2. Changes to Government policy.	Possible	High	Source alternative funding options including short term use of reserves. Pressures factored into the MTFP. Latest funding indications reflected in the MTFP.
3. Pay Awards and price inflation higher than assumed.	Likely	High	Provision included in the MTFP for pay awards yet to be agreed, which includes 2023/2024. Limited additional contingencies available should the award be higher.
4. Future spending plans underestimated, including increased social care demand.	Likely	High	Service planning process and regular MTFP review identifies future budget pressures. Provision included in 2023/2024 budget and future years MTFP to reflect social care and general cost pressures.
5. Anticipated savings not achieved.	Possible	High	Regular monitoring and reporting takes place. None achievement of savings would require compensating reductions in planned spending within services. Principles to maintain General Reserve at £12m.

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Management</b>
6. Revenue implications of the capital programme not fully anticipated.	Possible	Low	Revenue impacts considered in framing the capital programme. Capital programme links to the Council's priorities through the City Plan.
7. Income Targets for business rates and council tax not achieved	Possible	High	Prudent approach taken in setting the forecast income levels. Monitoring processes in place, including through quarterly reviews to identify forecast shortfall and remedial action to be taken. Provisions held for both appeals and bad debts.
8. Other Miscellaneous Income targets not achieved	Possible	Medium	Economic climate potential impact mitigated by potential short term use of reserves. Regular monitoring / reporting and review of fees and charges undertaken.
9. Budget monitoring not effective	Unlikely	High	Monthly monitoring / reporting in line with corporate performance management framework. Action plans developed to address problem areas.
10. Exit strategies for external funding ceasing/tapering not met.	Possible	Medium	Regular monitoring and reporting. Government policy has largely removed ring fencing providing greater flexibility. External Funding Strategy in place.
11. Loss of principal deposit.	Unlikely	Medium	Limited by the controls in the Treasury Management Strategy which focus on security and liquidity of deposit prior to returns. Impact limited due to the strategy of a diverse portfolio and top credit rated institutions.
12. Interest rates lower than expected.	Unlikely	Low	Regular review, monitoring and reporting on interest rates. Prudent assumptions on likely interest rates for 2023/2024 onwards factored into the MTFP.
13. All MTFP risks not adequately identified.	Unlikely	Low	The Council's Risk Management Profile ensures all operational and strategic risks identified as part of annual service planning process.



## General Balances – Financial Risk Analysis

### Financial Planning

*Risk is that a major liability or commitment is currently known but has not been taken into account in the financial planning of the Council.*

This is unlikely to arise due to:

- the existence of a comprehensive MTFP process with regular updates during the year; and
- networking with other senior finance staff in other authorities who are likely to identify similar liabilities.

### Inflation

*Risk is that pay and price increases may exceed the levels provided for within the budget.*

This remains a risk given the likelihood of further pay and contract inflation increases following the increase to the National Living Wage and also the current significant and volatile levels of general inflation in the economy. It is mitigated by the realistic prudent provisions made:

- Prudent provision has been included for pay offers;
- CPI has been included at a rate based on Bank of England forecasts;
- appropriate provision for price increases has been included in the budget including a prudent provision for increases in contract prices, reflecting the Bank of England's inflation forecasts, and additional provision for fees for independent providers of care services including the impact of the National Living Wage;
- expenditure in respect of most budgets can be either influenced or controlled; and
- separate provision has been made for fuel and utility costs, which have been subject to price significant fluctuations over recent years. Council procurement officers continuously monitor price changes in order to take advantage of any purchasing opportunities that may arise.

### Contingencies

*Risk is that the contingency provision will be insufficient to meet the needs identified.*

This is unlikely to occur due to:

- prudent estimates have been included in respect of each category of contingency provision and specific contingencies have been created for known spending pressures in 2023/2024; and
- the total contingency provision should be considered in the context of the net revenue budget.

## **Debt Charges**

*Risk is that Debt Charges will be greater than budgeted.*

This is unlikely to arise due to:

- a prudent provision has been made within the revenue budget and MTFP to enable potential borrowing under the prudential framework;
- the market consensus regarding the economic outlook for the years ahead is reflected in planning for debt charges; and
- short-term headroom exists within the debt charge budget for any additional new borrowing costing more than forecast.

## **Revenue Budget - Budgetary Control**

*Risk is that the budget will be overspent in the year.*

Whilst the scale of changes in the budget and levels of savings are significant, robust monitoring arrangements are in place to deal with this including;

- The budgetary control processes that are in place fully integrate monitoring of delivery of budget reduction plans which will identify any shortfall and remedial action will be taken;
- Corporate performance monitoring arrangements includes monitoring of delivery of savings and overall budget position at Chief Executive, Director and Assistant Director level and is embedded as part of the routine budget monitoring processes with exception reporting to Directorate Senior Management Teams and Portfolio Holders with corrective action agreed or set in train;
- Quarterly Council-wide Revenue Budget Budgetary Control reviews are undertaken, reported to Cabinet and corrective action agreed or set in train;
- Financial Procedure Rules relating to delegated budgets provide for virement; clear budget management responsibilities are in place and recorded within the Revenue Budget and Capital Programme;
- Contingencies held to mitigate pressures should they arise; and
- Transformation and MTFP Smoothing reserves held to support the revenue position should the need arise.

## **Risk Management**

*Risk is that all significant risks have not been identified and that major financial consequences may result.*

This is unlikely to occur due to:

- the Council has in place a Risk and Assurance Map supported by detailed Strategic and Corporate Risk Profiles, which are regularly and formally reviewed, and action is taken to mitigate and manage risks;
- Risk Profiles are developed for all major projects;

- risks are considered as part of the development of significant changes recommended to Cabinet;
- comprehensive self and external insurance arrangements are in place, including adequate self-insurance funds including both provisions and reserves; and
- existence of Bellwin Scheme.

### **Capital Programme Implications**

*Risk is that funding will not be available as planned or that unexpected overspending may occur.*

This is unlikely to happen due to:

- Project sponsors are identified for each capital programme project and recorded within the Capital Programme;
- Quarterly Council-wide Capital Programme Budgetary Control reviews are undertaken, reported to Cabinet and corrective action agreed or set in train; and
- Budgeted revenue contributions to fund capital expenditure and the Prudential Borrowing regime gives added flexibility in terms of financing the Capital Programme.

Earmarked Reserves - Position Statement

Reserves	Purpose of the Reserve	Opening Balance 01.04.2022 £m	Forecast Movement in 22/23 £m	Opening Balance 01.04.2023 £m	Forecast Movement in 23/24 £m	Opening Balance 01.04.2024 £m	Forecast Movement in 24/25 £m	Opening Balance 1.04.2025 £m	Forecast Movement in 25/26 £m	Opening Balance 1.04.2026 £m	Forecast Movement in 26/27 £m	Opening Balance 1.04.2027 £m
General Fund	General Fund of the Council	12.000	0.000	12.000	0.000	12.000	0.000	12.000	0.000	12.000	0.000	12.000
School Balances	Balances held by schools under a scheme of delegation	9.782	(3.584)	6.198	(2.347)	3.851	(0.787)	3.064	(0.525)	2.539	(0.509)	2.030
<b>Earmarked General Fund Reserves – Capital</b>												
Riverside Transfer	Reserve established to fund capital works associated with the Homes and Communities Agency land transferred to the Council.	9.037	(0.003)	9.034	(0.386)	8.648	0.000	8.648	0.000	8.648	0.000	8.648
Capital Priorities Reserve	A reserve established to address some of the Council's key capital developments and strategic priorities.	7.857	(4.138)	3.719	(0.052)	3.667	(3.667)	0.000	0.000	0.000	0.000	0.000
Section 106 Reserves	Under Section 106 of the Town and Country Planning Act 1990, developers make financial contributions to the Council relating to affordable housing, public open spaces including allotments and locally equipped play parks, educational facilities, highways and public transport improvements, sports and recreational facilities and environmental improvements.	9.362	(0.901)	8.461	(2.374)	6.087	(1.050)	5.037	0.000	5.037	0.000	5.037
Strategic Investment Reserve (Capital)	A reserve established to address some of the Council's key developments, strategic priorities and address other major liabilities.	2.461	(1.407)	1.054	(1.054)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Commercial and Economic Development Activity	Reserve established to take advantage of commercial and economic development opportunities that will meet priorities of the Council.	0.884	(0.577)	0.307	(0.307)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Culture Development	To support a range of cultural developments in the city centre, utilising smart cities technology and immersive technologies.	3.000	0.000	3.000	(3.000)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Earmarked Capital Reserve	Funding set aside to fund future capital projects previously approved.	1.798	(0.144)	1.654	(0.175)	1.479	(0.050)	1.429	0.000	1.429	0.000	1.429
<b>Earmarked General Fund Reserves – Revenue</b>												

Reserves	Purpose of the Reserve	Opening Balance 01.04.2022	Forecast Movement in 22/23	Opening Balance 01.04.2023	Forecast Movement in 23/24	Opening Balance 01.04.2024	Forecast Movement in 24/25	Opening Balance 1.04.2025	Forecast Movement in 25/26	Opening Balance 1.04.2026	Forecast Movement in 26/27	Opening Balance 1.04.2027
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Medium Term Planning Smoothing Reserve	This reserve has been established to address any potential impact arising from increased risk and uncertainty with the Business Rate Retention Scheme. It is being used to smooth the impact of government funding uncertainties.	34.601	(5.543)	29.058	(9.000)	20.058	(9.000)	11.058	(8.263)	2.795	0.000	2.795
Strategic Regeneration Reserve	A reserve to support the Council's regeneration ambitions, specifically to smooth any revenue impact of projects until they become self-sustaining.	10.747	0.200	10.947	(3.000)	7.947	(3.000)	4.947	(2.947)	2.000	0.000	2.000
Strategic Investment Reserve (Revenue)	A reserve established to address some of the Council's key developments, strategic priorities and address other major liabilities.	5.641	(0.411)	5.230	(3.983)	1.247	(1.247)	0.000	0.000	0.000	0.000	0.000
Insurance Reserve	This reserve has been established to provide for potential future claims or claim increases.	5.470	0.000	5.470	0.000	5.470	0.000	5.470	0.000	5.470	0.000	5.470
Street Lighting and Highway Signs PFI Smoothing Reserve	The reserve was established to smooth the financial impact to the Council across the 25 years of the contract life.	4.281	(0.288)	3.993	(0.734)	3.259	(0.706)	2.553	(0.604)	1.949	(0.619)	1.330
SIB Reserve	A reserve held to fund future allocations through the Strategic Initiatives Budget.	4.498	(0.250)	4.248	(0.750)	3.498	(0.500)	2.998	0.000	2.998	0.000	2.998
Public Health Grant	Ringfenced Public Health grant funding, to deliver future public health initiatives.	5.088	0.900	5.988	0.000	5.988	0.000	5.988	(0.049)	5.939	(0.049)	5.890
Smart Cities	This reserve was established to set aside revenue funding to cover 8-10 years, to support 5G and Wireless connectivity within the city.	4.000	(0.250)	3.750	(0.500)	3.250	(0.500)	2.750	(0.500)	2.250	(0.500)	1.750
Streetscene and Open Space	A reserve to enhance the city's recovery from the covid pandemic and ensure that the full benefit can be made of the regeneration activities across the city. This reserve will fund a range of streetscene and open space projects.	4.198	(1.952)	2.246	(1.591)	0.655	(0.587)	0.068	(0.068)	(0.000)	0.000	(0.000)
HCA Stadium Park	Reserve established to fund ongoing maintenance of Homes and Communities Agency land transferred to the Council.	3.109	0.000	3.109	0.000	3.109	0.000	3.109	0.000	3.109	0.000	3.109
Transformation Reserve	To support the changes that are likely to be required over the next 12-18 months to address financial pressures as the city emerges from the pandemic and MTFP challenges.	2.941	(1.500)	1.441	(1.441)	0.000	0.000	0.000	0.000	0.000	0.000	0.000

Reserves	Purpose of the Reserve	Opening Balance 01.04.2022	Forecast Movement in 22/23	Opening Balance 01.04.2023	Forecast Movement in 23/24	Opening Balance 01.04.2024	Forecast Movement in 24/25	Opening Balance 1.04.2025	Forecast Movement in 25/26	Opening Balance 1.04.2026	Forecast Movement in 26/27	Opening Balance 1.04.2027
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Education Redundancy Reserve	The reserve was established to meet the anticipated costs of redundancies as a result of falling pupil rolls within maintained schools.	2.079	0.130	2.209	(0.100)	2.109	(0.100)	2.009	(0.100)	1.909	(0.100)	1.809
Sandhill Centre PFI Smoothing Reserve	The reserve was established to smooth the financial impact to the Council across the 25 years of the contract life.	2.151	(0.476)	1.675	(0.692)	0.983	(0.470)	0.513	(0.351)	0.162	(0.162)	(0.000)
Low Level Family Support	Reserve to support activities with families and individuals to address the challenges of recovering from the pandemic.	4.386	(2.001)	2.385	(1.769)	0.616	(0.616)	0.000	0.000	0.000	0.000	0.000
Collection Fund Surplus Reserve	Reserve established as part of 2018/19 budget setting to smooth the collection fund surplus benefit into future years.	1.533	0.000	1.533	0.000	1.533	0.000	1.533	0.000	1.533	0.000	1.533
Housing Benefit Smoothing Reserve	This reserve has been established to smooth any potential impact of outstanding debtors as housing benefit is subsumed within universal credit.	1.459	(0.250)	1.209	(0.250)	0.959	(0.250)	0.709	(0.250)	0.459	(0.250)	0.209
Airport Smoothing Reserve	Reserve established to smooth any delayed airport loan interest payment that may arise.	1.253	0.000	1.253	0.000	1.253	0.000	1.253	0.000	1.253	0.000	1.253
Events	Reserve established to support a bid to secure a multi-year arrangement with British Triathlon to host triathlon events in the City.	1.200	(0.016)	1.184	(0.550)	0.634	(0.200)	0.434	(0.200)	0.234	0.000	0.234
Riverside Transfer	Reserve established to fund ongoing maintenance of Homes and Communities Agency land transferred to the Council.	1.092	(0.105)	0.987	(0.104)	0.883	(0.105)	0.778		0.778		0.778
House Sale Income	The reserve relates to the sale of client's homes that will be utilised to support future support needs of those clients.	0.816	(0.204)	0.612	(0.204)	0.408	(0.204)	0.204	0.000	0.204	0.000	0.204
Health and Social Care Reserve	Additional external income from in-year Health funding to support health and social care services in Sunderland in the short to medium term.	9.336	(2.563)	6.773	(3.750)	3.023	(2.022)	1.001	0.000	1.001	0.000	1.001
Energy and General Inflation	Reserve established in response to significant inflationary pressures expected to impact council services in the short to medium term	5.750	(1.733)	4.017	(4.017)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Member Recovery Fund	Members Covid Response fund	1.000	(0.160)	0.840	(0.756)	0.084	(0.084)	0.000	0.000	0.000	0.000	0.000
Other Earmarked Revenue Reserves	Numerous small revenue reserves less than £1m which are set up for specific purposes.	19.382	(6.107)	13.275	(5.600)	7.675	(2.829)	4.846	(0.192)	4.654	(0.131)	4.523
<b>Total General Fund Reserves</b>		<b>200.394</b>	<b>(41.535)</b>	<b>158.859</b>	<b>(48.486)</b>	<b>110.373</b>	<b>(27.974)</b>	<b>82.399</b>	<b>(14.049)</b>	<b>68.350</b>	<b>(2.320)</b>	<b>66.030</b>

<b>Reserves</b>	<b>Purpose of the Reserve</b>	<b>Opening Balance 01.04.2022</b>	<b>Forecast Movement in 22/23</b>	<b>Opening Balance 01.04.2023</b>	<b>Forecast Movement in 23/24</b>	<b>Opening Balance 01.04.2024</b>	<b>Forecast Movement in 24/25</b>	<b>Opening Balance 1.04.2025</b>	<b>Forecast Movement in 25/26</b>	<b>Opening Balance 1.04.2026</b>	<b>Forecast Movement in 26/27</b>	<b>Opening Balance 1.04.2027</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Capital Receipts Reserve	Balance of capital receipts held, pending use to fund the capital programme.	9.723	(7.115)	2.608	(2.608)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Capital Grants Unapplied	Balance of capital grants held pending expenditure on capital programme.	5.945	(4.945)	1.000	(1.000)	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Usable Reserves</b>		<b>216.062</b>	<b>(53.595)</b>	<b>162.467</b>	<b>(52.094)</b>	<b>110.373</b>	<b>(27.974)</b>	<b>82.399</b>	<b>(14.049)</b>	<b>68.350</b>	<b>(2.320)</b>	<b>66.030</b>

REVENUE ESTIMATES 2023/2024  
GENERAL SUMMARY

# REVENUE BUDGET 2023/2024



**REVENUE ESTIMATES 2023/2024  
GENERAL SUMMARY**

<b>Revised Estimate 2022/23</b>		<b>Estimate 2023/24</b>
<b>£</b>		<b>£</b>
679,444	Leader	715,308
45,188,660	Deputy Leader and Green City	47,969,535
30,073,226	Cabinet Secretary	34,441,578
84,197,797	Children, Learning and Skills	88,706,517
14,335,102	Vibrant City	15,298,770
111,859,660	Healthy City	120,710,003
28,632,069	Dynamic City	28,157,460
(983,771)	Provision for Contingencies	20,438,867
	Capital Financing Costs	
28,654,318	- Debt Charges	28,654,318
(580,000)	- Interest on balances	(580,000)
(1,253,000)	- Interest on Airport long term loan notes	(1,253,000)
	Transfer to/(from) Reserves	
(5,430,394)	- Use of Medium Term Planning Smoothing Reserve	(9,000,394)
(10,964,301)	- Use of COVID-19 Section 31 Business Rates Reliefs Reserve	0
(1,294,674)	- Collection Fund Surplus Reserve	(373,905)
(58,910,039)	Technical Adjustments: IAS19 and Reversal of Capital Charges	(61,951,883)
<b>264,204,097</b>		<b>311,933,174</b>
	<b>Levies</b>	
15,805,099	North East Combined Authority Transport Levy	16,515,580
232,283	Environment Agency	232,283
72,190	North East Inshore Fisheries Conservation Authority	72,190
<b>16,109,572</b>		<b>16,820,053</b>
	<b>Less Grants</b>	
18,683,789	Improved Better Care Fund	18,683,789
18,586,011	Social Care Support Grant	29,337,386
16,830,400	Section 31 Grants – Business Rates	22,812,090
1,842,158	New Homes Bonus	1,183,025
13,781	Inshore Fisheries Conservation Authority	13,781
535,721	Lower Tier Services Grant	0
5,919,621	2022/2023 Services Grant	3,335,610
1,058,250	Adult Social Care Market Sustainability and Improvement Fund	3,671,212
0	Adult Social Care Discharge Grant	2,619,438
<b>216,843,938</b>	<b>TOTAL NET EXPENDITURE / LOCAL BUDGET REQUIREMENT</b>	<b>247,096,896</b>
70,437	Hetton Town Council	72,360
<b>216,914,375</b>	<b>TOTAL BUDGET REQUIREMENT</b>	<b>247,169,256</b>
	<b>Less Grants and NNDR</b>	
28,974,079	Revenue Support Grant	32,471,017
29,451,618	National Non-Domestic Rates - Retained Business Rates	46,924,948
43,723,682	Top up Grant	47,189,638
<b>102,149,379</b>		<b>126,585,603</b>
<b>114,764,996</b>	<b>LOCAL COUNCIL TAX REQUIREMENT INCLUDING PARISH PRECEPT</b>	<b>120,583,653</b>
<b>114,706,404</b>	<b>LOCAL COUNCIL TAX REQUIREMENT EXCLUDING PARISH PRECEPT</b>	<b>120,523,138</b>

## CONTINGENCIES 2023/2024

	£m
Pay and Cost Pressures	15.172
General Contingency	1.500
Winter Maintenance	0.300
Economic Downturn / Cost of Living Pressures	3.467
<b>Total Contingency</b>	<b>20.439</b>

## STATEMENT OF GENERAL BALANCES

	£m
<b>Balances as at 31st March 2022</b>	
<b>Use / Addition to Balances 2022/2023</b>	<b>12.000</b>
<b>Use of Balances 2022/2023</b>	
- Contribution to Revenue Budget	(5.430)
<b>Addition to Balances 2022/2023</b>	
- Transfer from Medium Term Planning Smoothing Reserve to support the 2022/2023 budget	5.430
<b>Estimated Balances 31st March 2023</b>	<b>12.000</b>
<b>Use of Balances 2023/2024</b>	
- Contribution to Revenue Budget	(9.000)
<b>Addition to Balances 2023/2024</b>	
- Transfer from Medium Term Planning Smoothing Reserve to support the 2023/2024 budget	9.000
<b>Estimated Balances 31st March 2024</b>	<b>12.000</b>

**ROLES AND RESPONSIBILITIES**

Primary overview of Council priorities:

- To provide political leadership on behalf of residents, stakeholders and partners in the co-ordination of Council strategies, policies and service delivery, ensuring good quality services.
- To provide political leadership in the development of local, regional, sub-regional strategy and strategic partnerships.
- To promote and enhance the reputation of Sunderland, the city and the council, at national, European and international levels.
- To ensure that the Council's approach to economic, social and physical regeneration of the City is integrated, enabling and effective.
- To provide democratic leadership to partners, residents and stakeholders, ensuring a collaborative approach to the development and delivery of services which meet people's needs and aspirations.
- To co-ordinate and apportion the roles and responsibilities of Members.
- To provide political leadership in relation to communications and corporate affairs.
- To provide political leadership in relation to safer communities.
- To undertake the role of Armed Forces Champion for the Council.

**FINANCIAL**

**OBJECTIVE SUMMARY**

Ref.	Assistant Director Ref.	Revised Estimate 2022/2023 £		Estimate 2023/2024 £
			<b>City Development</b>	
1	EDC	200,000	Inward Investment	200,000
2	ADRS	63,567	Safer Communities	63,691
		<u>263,567</u>	<b>Total City Development</b>	<u>263,691</u>
			<b>Strategy and Corporate Affairs</b>	
3	DSCA	1,376,507	Corporate Affairs and Communications	1,352,910
4	DSCA	203,074	Local Strategic Partnership	207,917
5	DSCA	256,833	Policy and Partnerships	236,505
		<u>1,836,414</u>	<b>Total Strategy and Corporate Affairs</b>	<u>1,797,332</u>
		<u>2,099,981</u>	<b>TOTAL DELEGATED BUDGET</b>	<u>2,061,023</u>
			<b>Non Delegated Budgets</b>	
6		227,946	IAS19 (Pensions)	269,476
7		460,538	Support Service Costs - received from other services	451,578
8		(2,128,797)	Support Service Costs - charged to other services	(2,086,545)
9		19,776	Asset Charges	19,776
		<u>679,444</u>	<b>TOTAL PORTFOLIO BUDGET</b>	<u>715,308</u>

The budget service lines do not include support service costs or other non-delegated costs. As such they do not reflect external reporting requirements which will contain apportionment of support service costs, with the exception of those marked \*.

**PORTFOLIO GLOSSARY**

EDC	Executive Director of City Development
ADRS	Assistant Director of Regulatory Services
DSCA	Director of Strategy and Corporate Affairs

**ROLES AND RESPONSIBILITIES**

Primary overview of Council priorities:

- To support the Leader as appropriate, working collectively with the Cabinet and Deputy Cabinet Members.
- To provide political leadership to the Council's climate change and low carbon plans and activities, working towards being a carbon zero council by 2030 and carbon zero city by 2040.
- To ensure that the Council's approach to the environment is integrated, enabling and effective, and the Council fulfils its strategic and statutory roles in relation to these functions. This includes exercising political policy oversight in relation to public protection and place regulation to create a high-quality physical environment for living and working in and visiting the city.
- To provide political leadership to environment, low carbon and energy partnerships.

Policy Oversight to include:

- Environment functions, ensuring that the city is clean, green, attractive and accessible for all.

In the absence of the Leader of the Council, the Deputy Leader of the Council has overall responsibility for the portfolio of the Leader of the Council.

**FINANCIAL**

**OBJECTIVE SUMMARY**

Ref.	Assistant Director Ref.	Revised Estimate 2022/2023 £		Estimate 2023/2024 £
<b>City Development</b>				
1	ADER	1,229,002	Business and Investment	1,195,115
2	ADER	172,129	Business Development	168,524
3	ADER	1,075,519	Carbon Reduction	1,068,458
4	PD	396,202	Port of Sunderland*	396,204
5	ADRS	1,698,602	Public Protection and Regulatory Services	1,951,362
6	EDCD	339,671	Strategic Management	306,415
		<b>4,911,125</b>	<b>Total City Development</b>	<b>5,086,078</b>
<b>Environmental Services</b>				
7	DES	(2,270,900)	Bereavement	(2,256,449)
8	DES	612,369	Depots	1,148,169
9	DES	3,368,984	Fleet	4,080,268
10	DES	8,802,262	Local Services	8,924,534
11	DES	2,432,172	Waste Collection and Recycling	2,925,747
12	DES	15,645,465	Waste Disposal*	16,547,578
		<b>28,590,352</b>	<b>Total Environmental Services</b>	<b>31,369,847</b>
		<b>33,501,477</b>	<b>TOTAL DELEGATED BUDGET</b>	<b>36,455,925</b>
<b>Non Delegated Budgets</b>				
13		3,263,840	IAS19 (Pensions)	3,760,824
14		11,490,051	Support Service Costs - received from other services	12,055,177
15		(9,083,196)	Support Service Costs - charged to other services	(10,318,879)
16		6,016,488	Asset Charges	6,016,488
		<b>45,188,660</b>	<b>TOTAL PORTFOLIO BUDGET</b>	<b>47,969,535</b>

The budget service lines do not include support service costs or other non-delegated costs. As such they do not reflect external reporting requirements which will contain apportionment of support service costs, with the exception of those marked \*.

**PORTFOLIO GLOSSARY**

ADER	Assistant Director of Economic Regeneration
PD	Port Director
ADRS	Assistant Director of Regulatory Services
EDCD	Executive Director of City Development
DES	Director of Environmental Services

## ROLES AND RESPONSIBILITIES

Primary overview of Council priorities:

- To provide political leadership to the Council's approach to the efficient and effective deployment of resources to sustain services that matter to local people and to local communities.
- To deputise for the Leader as appropriate.
- To ensure that the Council's internal operations are integrated, enabling and effective and the Council fulfils its strategic and statutory roles in relation to corporate services.
- To provide political leadership to the Council's approach to commissioned and procured partnerships as well as partnerships where Sunderland is the lead authority.

Policy Oversight to include:

- Corporate Services and Data Protection.
- Community Wealth Building and Cooperative development agendas, leading on the creation of social value through procurement and supporting the embedding of these principles across all portfolios.

**REVENUE BUDGET 2023/2024  
CABINET SECRETARY**

**APPENDIX J**

**FINANCIAL**

**OBJECTIVE SUMMARY**

<b>Ref.</b>	<b>Assistant</b>	<b>Revised £</b>		<b>Estimate £</b>
			<b>City Development</b>	
1	DDC	(212,726)	Capital Projects Team	(224,433)
2	DDR	3,589,763	Civic Buildings – City Hall	3,705,997
		<b>3,377,037</b>	<b>Total City Development</b>	<b>3,481,564</b>
			<b>Finance</b>	
3	ADAPS	(76,450)	Area Facilities	319,073
4	ADAPS	892,100	Asset Management	804,729
5	ADAPS	1,859,160	Audit, Risk and Insurance	1,663,879
6	DF	799,017	Benefits Service	286,839
7	ADAPS	1,230,304	Building Cleaning	1,108,763
8	ADAPS	(769,487)	Building Services*	83,435
9	ADAPS	663,858	Civic Buildings*	1,140,284
10	ADAPS	41,082	Civic Catering	38,835
11	ADAPS	165,336	Civil Contingencies	162,659
12	DF	291,932	Corporate and Strategic Management	286,805
13	DF	393,088	Corporate Management	573,088
14	ADAPS	145,177	Data Protection Office	137,600
15	DF	2,249,388	Financial Management	2,119,051
16	ADAPS	340,929	Health and Safety	376,677
17	DF	1,630,538	Local Enterprise Partnership	2,862,590
18	ADAPS	(855,664)	Miscellaneous Land, Property, and Industrial Estates	(701,413)
19	ADAPS	557,784	Procurement	522,845
20	ADAPS	159,398	Public Conveniences	164,459
21	ADAPS	2,294,043	Repairs and Renewals	2,184,065
22	ADAPS	(275,652)	Retail Market	(233,581)
23	DF	607,017	Revenues	1,213,098
24	ADAPS	509,453	School Meals	443,001
25	ADAPS	1,476,804	Security Services	1,669,061
		<b>14,329,155</b>	<b>Total Finance</b>	<b>17,225,842</b>
			<b>Smart Cities and Enabling Services</b>	
26	ADLG	125,826	Complaints	122,156
27	ADLG	890,847	Coroners Court	891,912
28	DSC	3,717,554	Corporate Services Support	3,995,370
29	DSC	2,448,346	Customer Service Network	2,234,713
30	ADLG	1,269,669	Democratic Core	1,259,669
31	ADLG	646,289	Electoral Services	640,251
32	ADLG	463,547	Governance Services	450,349
33	DSC	6,511,010	ICT	6,342,817
34	DSC	(70,757)	Information Governance	(156,728)
35	ADLG	959,494	Legal Services	896,203
36	ADLG	557,680	Member Support	530,632
37	ADLG	(71,147)	Registrars	(129,110)
38	DSC	1,348,419	Strategic and Operational HR	955,538
39	DSC	500,356	Transformational Change Team	490,686
		<b>19,297,133</b>	<b>Total Smart Cities and Enabling Services</b>	<b>18,524,458</b>
			<b>Strategy and Corporate Affairs</b>	
40	DSCA	44,826	Equalities and Integration	44,826
		<b>44,826</b>	<b>Total Strategy and Corporate Affairs</b>	<b>44,826</b>
		<b>37,048,151</b>	<b>TOTAL DELEGATED BUDGET</b>	<b>39,276,690</b>
			<b>Non Delegated Budgets</b>	
41		5,982,965	IAS19 (Pensions)	6,751,240
42		24,846,442	Support Service Costs - received from other services	24,614,160
43		(44,291,656)	Support Service Costs - charged to other services	(42,687,836)
44		6,487,324	Asset Charges	6,487,324
		<b>30,073,226</b>	<b>TOTAL PORTFOLIO BUDGET</b>	<b>34,441,578</b>

The budget service lines do not include support service costs or other non-delegated costs. As such they do not reflect external reporting requirements which will contain apportionment of support service costs, with the exception of those marked \*.

**PORTFOLIO GLOSSARY**

DDC	Development Director - Commercial
DDR	Development Director - Residential
ADAPS	Assistant Director of Assurance & Property Services
DF	Director of Finance
ADLG	Assistant Director of Law & Governance
DSC	Director of Smart Cities and Enabling Services
DSCA	Director of Strategy and Corporate Affairs



**ROLES AND RESPONSIBILITIES**

Primary overview of Children, Learning and Skills priorities:

- To be the designated “lead member for children’s services” in accordance with Section 19 of the Children Act 2004.
- To provide political leadership to the Council’s approach to the priorities of Children, Learning and Skills to ensure that children and young people achieve the best outcomes, and all age learning and skills agendas are supported.
- To provide political leadership to the Council’s work to tackle child poverty, and as the Council’s designated Food Champion, the food poverty agenda.
- To ensure that the Council’s approach to the Children, Learning and Skills agenda is integrated, enabling and effective and the Council fulfils its statutory role in relation to these functions.

**FINANCIAL**

**OBJECTIVE SUMMARY**

Ref.	Assistant Director Ref.	Revised Estimate 2022/2023 £		Estimate 2023/2024 £
<b>Children’s Services and Together for Children Educational Attainment and Lifelong Learning</b>				
1	DCS	49,394,580	DSG and Other Grant – Schools	47,144,085
2	DCS	787,261	DSG and Other Grant – Central School Services	847,687
3	DCS	19,340,349	DSG Early Years Block	20,567,499
4	DCS	30,795,784	DSG High Needs Block	35,065,225
5	DCS	(100,900,974)	DSG and Other School Grants	(104,207,496)
6	DCS	2,136,605	Retained Activity – Schools and Learning	2,131,536
		<b>1,553,605</b>	<b>Total Educational Attainment and Lifelong Learning</b>	<b>1,548,536</b>
7	DCS	43,930	Director of Children’s Services	40,191
8	DCS	(97,702)	Learning and Skills	(105,528)
9	DCS	223,224	Sunderland Safeguarding Children’s Board	220,311
10	DF	71,886,135	Together for Children	75,682,513
11	DCS	300,393	Trading Operations – Derwent Hill*	267,035
		<b>72,355,980</b>	<b>Total Children’s Services and Together for Children</b>	<b>76,104,522</b>
		<b>73,909,585</b>	<b>TOTAL DELEGATED BUDGET</b>	<b>77,653,058</b>
<b>Non Delegated Budgets</b>				
12		3,602,977	IAS19 (Pensions)	4,389,674
13		388,394	Support Service Costs - received from other services	363,205
14		(267,497)	Support Service Costs - charged to other services	(263,758)
15		6,564,338	Asset Charges	6,564,338
		<b>84,197,797</b>	<b>TOTAL PORTFOLIO BUDGET</b>	<b>88,706,517</b>

The budget service lines do not include support service costs or other non-delegated costs. As such they do not reflect external reporting requirements which will contain apportionment of support service costs, with the exception of those marked \*.

**PORTFOLIO GLOSSARY**

DCS	Director of Children Services
DF	Director of Finance

**ROLES AND RESPONSIBILITIES**

Primary overview of Vibrant City priorities:

- To provide political leadership to the Council's approach to the priorities of local communities to achieve the best outcomes as well as ensuring a wide-ranging cultural offer and communities having the access to the opportunities on offer on the City.
- To ensure that the Council's approach to the communities, culture, leisure and resident engagement and resilience is integrated, enabling and effective and built on Community Wealth Building principles, and that the Council fulfils its strategic and statutory roles in relation to these functions.
- To provide political leadership to the Council's approach to Area/Community and Cultural Partnerships.

Policy Oversight to include:

- Communities and Culture functions, including tourism and heritage.

**FINANCIAL**

**OBJECTIVE SUMMARY**

Ref.	Assistant Director Ref.	Revised Estimate 2022/2023 £		Estimate 2023/2024 £
			<b>Children's Services and Together for Children</b>	
1	DCS	706,637	Libraries	743,896
		<b>706,637</b>	<b>Total Children's Services and Together for Children</b>	<b>743,896</b>
			<b>City Development</b>	
2	ADER	132,369	Arts and Creative Development	182,883
3	ADRS	712,308	Environmental Enforcement	1,073,692
4	ADRS	1,110,404	Events	1,131,861
5	ADER	149,201	Heritage	146,656
6	ADER	922,419	Museums and Archives Services	1,438,112
7	ADER	(15,338)	Resorts	(16,205)
8	ADER	355,404	Theatre	409,214
		<b>3,366,767</b>	<b>Total City Development</b>	<b>4,366,213</b>
			<b>Health, Housing and Communities</b>	
9	ADHC	871,687	Area Arrangements	874,467
10	EDHHC	796,285	Community Sports and Physical Activity Development	799,145
11	EDHHC	50,405	Grants to Community Projects and Miscellaneous Contributions	53,655
12	EDHHC	1,208,221	Sport and Leisure Facilities	1,118,221
13	ADHC	2,256,666	Neighbourhood Fund	2,256,666
		<b>5,183,264</b>	<b>Total Health, Housing and Communities</b>	<b>5,102,154</b>
			<b>Strategy and Corporate Affairs</b>	
14	DSCA	79,204	Tourism	59,204
		<b>79,204</b>	<b>Total Strategy and Corporate Affairs</b>	<b>59,204</b>
		<b>9,335,872</b>	<b>TOTAL DELEGATED BUDGET</b>	<b>10,271,467</b>
			<b>Non Delegated Budgets</b>	
15		702,374	IAS19 (Pensions)	828,782
16		1,970,075	Support Service Costs - received from other services	1,871,740
17		(727,873)	Support Service Costs - charged to other services	(727,873)
18		3,054,654	Asset Charges	3,054,654
		<b>14,335,102</b>	<b>TOTAL PORTFOLIO BUDGET</b>	<b>15,298,770</b>

The budget service lines do not include support service costs or other non-delegated costs. As such they do not reflect external reporting requirements which will contain apportionment of support service costs, with the exception of those marked \*.

**PORTFOLIO GLOSSARY**

DCS	Director of Children Services
ADER	Assistant Director of Economic Regeneration
ADRS	Assistant Director of Regulatory Services
ADHC	Assistant Director of Housing and Communities
EDHHC	Executive Director of Health, Housing and Communities
DSCA	Director of Strategy and Corporate Affairs

**ROLES AND RESPONSIBILITIES**

Primary overview of Healthy City priorities:

- To provide political leadership to the Council's approach to the priorities of health and life chances of children and adults.
- To provide political leadership to an all-population approach to public health, narrowing the health inequalities gap to achieve the best outcomes for all residents.
- To ensure that the Council's approach to the Adults and Public Health agenda is integrated, enabling and effective and the Council fulfils its strategic roles in relation to these functions.

Policy Oversight to include:

- Adult and Public Health functions.

**FINANCIAL**

**OBJECTIVE SUMMARY**

Ref.	Assistant Director Ref.	Revised Estimate 2022/2023 £		Estimate 2023/2024 £
<b>Adult Services and Sunderland Care and Support</b>				
1	DAS	67,706,931	Adult Social Care, including Older People, People with Physical, Learning and Mental Health Disabilities	75,312,397
2	DAS	32,342,708	Strategic Commissioning	33,706,520
		<b>100,049,639</b>	<b>Total Adult Services and Sunderland Care and Support</b>	<b>109,018,917</b>
<b>Health, Housing and Communities</b>				
3	EDHHC	204,529	Joint Commissioning	195,698
4	EDHHC	(4,136,246)	Public Health	(4,136,246)
5	ADHC	2,061,271	Strategic Advice	2,022,751
6	ADC	341,555	Supporting People	344,971
7	ADHC	512,383	Welfare Reform	507,847
		<b>(1,016,508)</b>	<b>Total Health, Housing and Communities</b>	<b>(1,064,979)</b>
		<b>99,033,131</b>	<b>TOTAL DELEGATED BUDGET</b>	<b>107,953,938</b>
<b>Non Delegated Budgets</b>				
8		3,006,854	IAS19 (Pensions)	3,321,399
9		46,427,249	Support Service Costs - received from other services	47,191,068
10		(36,691,777)	Support Service Costs - charged to other services	(37,840,605)
11		84,203	Asset Charges	84,203
		<b>111,859,660</b>	<b>TOTAL PORTFOLIO BUDGET</b>	<b>120,710,003</b>

The budget service lines do not include support service costs or other non-delegated costs. As such they do not reflect external reporting requirements which will contain apportionment of support service costs, with the exception of those marked \*.

**PORTFOLIO GLOSSARY**

DAS	Director of Adult Services
EDHHC	Executive Director of Health, Housing and Communities
ADHC	Assistant Director of Housing and Communities
ADC	Assistant Director of Commissioning

**ROLES AND RESPONSIBILITIES**

Primary overview of Dynamic City priorities:

- To provide political leadership to the Council's approach to the priorities of housing, regeneration and planning, ensuring that the city achieves the best outcomes from physical and economic regeneration including business and housing growth.
- To ensure that the Council's approach to housing, transport and regeneration agenda is integrated, enabling and effective and the Council fulfils its strategic and statutory roles in relation to these functions, including dealing with homelessness.
- To provide political leadership to the Council's approach to partnerships relating to housing, transport and regeneration.
- To ensure Community Wealth Building and cooperative development approaches to delivering these priorities and functions, including a focus on the growth of the SME sector and on opportunities for the expansion of social housing across the city.

Policy Oversight to include:

- Transport and infrastructure priorities and plans, supporting the development of great transport links and active travel opportunities.

**FINANCIAL**

**OBJECTIVE SUMMARY**

Ref.	Assistant Director Ref.	Revised Estimate 2022/2023 £		Estimate 2023/2024 £
<b>City Development</b>				
1	ADRS	346,608	Anti-Social Behaviour	340,679
2	ADRS	(38,050)	Building Control	(89,707)
3	DDR	(3,238,431)	Commercial Development	(5,653,896)
4	ADRS	(80,656)	Development Control	(146,752)
5	DDC	(66,273)	Environmental Initiatives	(70,647)
6	ADTI	1,072,922	Infrastructure and Transportation*	1,084,187
7	ADTI	(1,271,397)	Parking Services	(959,891)
8	ADER	822,617	Planning Implementation	751,916
9	DDR	(996,977)	Regeneration Properties	(967,878)
10	ADTI	8,407,658	Street Lighting*	10,329,755
		<b>4,958,021</b>	<b>Total City Development</b>	<b>4,617,766</b>
<b>Health, Housing and Communities</b>				
11	ADHC	1,429,618	Access to Housing	1,246,319
12	ADHC	311,460	Domestic Abuse	311,460
13	ADHC	104,472	Sunderland Housing Service*	102,351
		<b>1,845,550</b>	<b>Total Health, Housing and Communities</b>	<b>1,660,130</b>
		<b>6,803,571</b>	<b>TOTAL DELEGATED BUDGET</b>	<b>6,277,896</b>
<b>Non Delegated Budgets</b>				
14		2,093,829	IAS19 (Pensions)	2,376,234
15		5,308,755	Support Service Costs - received from other services	5,077,416
16		0	Support Service Costs - charged to other services	0
17		14,425,914	Asset Charges	14,425,914
		<b>28,632,069</b>	<b>TOTAL PORTFOLIO BUDGET</b>	<b>28,157,460</b>

The budget service lines do not include support service costs or other non-delegated costs. As such they do not reflect external reporting requirements which will contain apportionment of support service costs, with the exception of those marked \*.

**PORTFOLIO GLOSSARY**

ADRS	Assistant Director of Regulatory Services
DDR	Development Director - Residential
ADER	Assistant Director of Economic Regeneration
ADTI	Assistant Director of Transport and Infrastructure
ADHC	Assistant Director of Housing and Communities
DDC	Development Director - Commercial

**Appendix K - City Plan 2023-2035 and Indicative Timeline**







# City Plan

2023–2035

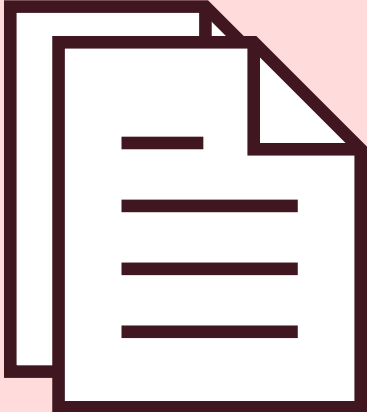


# Developing our City Plan

**Our  
Ambitions**



**Our  
Vision**



**Our  
Themes**



A man with a beard and short hair is looking intently at a laptop screen. He has his hand near his chin, suggesting deep thought or concentration. The background is a blurred office environment with a desk holding various items like pens and papers.

# Our ambitions

The city and its residents have the resilience to mitigate ongoing challenges, including the cost-of-living crisis, and emerge in a healthy and sustainable position



# Our ambitions

Sunderland offers the opportunities that families and individuals need to achieve their ambitions

A photograph of a woman with dark hair in a bun kissing a young child with blonde hair on the cheek. The child is wearing a yellow hoodie and laughing joyfully. They are outdoors in a grassy field with trees in the background. A red rectangular box is overlaid on the left side of the image, containing text.

# Our ambitions

Families are resilient and resourceful to respond to challenges and achieve the best possible outcomes for their children



# Our ambitions

Health and wellbeing outcomes are significantly improved



# Our ambitions

Sunderland City Centre will drive city-wide transformational economic growth with Riverside Sunderland demonstrating clearly our investment ambition



# Our ambitions

Residents' skills and qualifications enable them to secure good jobs matching the needs of employers in the city's key sectors



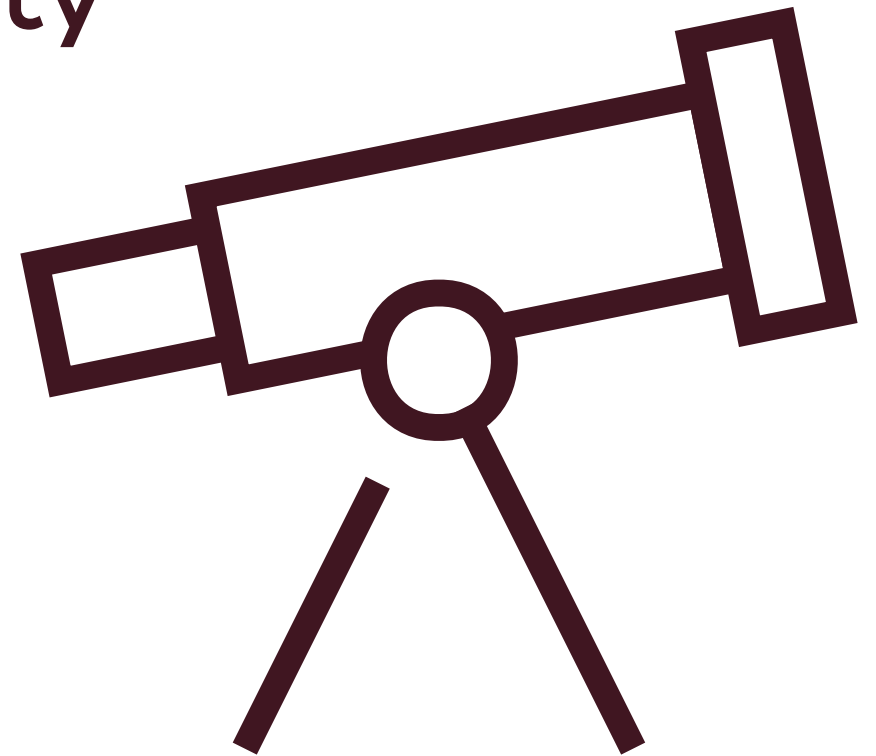


# Our ambitions

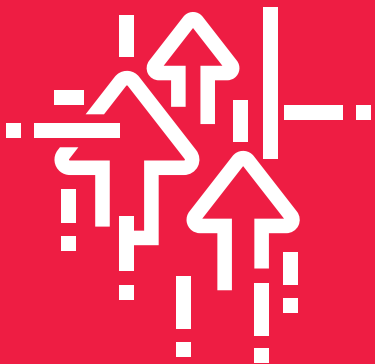
Sunderland will play its role in tackling the global challenge of climate change, working together across the city to be carbon neutral by 2040

# Our vision

“Sunderland will be a connected, international city with opportunities for all”



# Our themes



**A dynamic  
smart city**

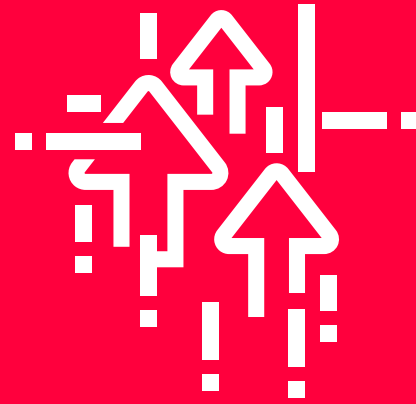


**A healthy  
smart city**



**A vibrant  
smart city**

A stronger city centre  
with more businesses,  
housing and cultural  
opportunities



More and  
better jobs

# A dynamic smart city we will have:

More and  
better housing

A lower carbon  
city with  
greater digital  
connectivity  
for all

More local people with better  
qualifications and skills

Great transport links with low carbon and active travel opportunities for all



Reduced health inequalities enabling more people to live healthier longer lives

Equitable opportunities and the best life chances for children

# **A healthy smart city**

**we will have:**

A cleaner and more attractive city and neighbourhoods

High quality support and social care that enables those who need it to live the life they want to lead

Residents who are more resilient to ongoing challenges including the cost-of-living crisis



More people visiting Sunderland with businesses thriving and more residents shaping and participating in cultural events and activities

# A vibrant smart city we will have:

Residents feeling proud of the city and the place where they live with more people active and participating in their communities

More people feeling safe in their homes and neighbourhoods and businesses benefitting from the city's safe and secure environment

# Indicative Timeline 2023–24

- New Children's Home (Maple Cottage) opening
- New Edge of Care Accommodation (Claremont Terrace) opening
- Crosstree Park, Downhill – 41 homes, including affordable rent, shared ownership
- Wellspring Park, Town End Farm – 71 shared ownership homes
- Further £120,000 Empower Sunderland Local Community Fund contribution for green energy
- Complete Pennywell Regeneration – £19m investment in improving 1100 homes to EPC C standard
- Launch of the first phase of the Wi-Fi Messaging Platform/City-wide App
- Refresh Sunderland's Domestic Abuse and Violence Against Women and Girls Strategy 2023–2026
- Continued delivery of the Multiply Adult Numeracy Programme
- New national/international events – Host British leg of the 2023 World Triathlon Championship series
- Over £1/4m council and Lawn Tennis Association investment in city's tennis courts in parks
- Develop five area venues for participation in SWIM BIKE RUN activities
- Targeted programmes with new participation opportunities in least active areas
- Development of five safe and inclusive area-based sports play zones with investment from the Football Foundation and Sport England
- Continue Supplementary Substance Misuse Treatment and Recovery Grant funding
- Publish Sunderland City Council Alcohol Strategy: It's Time to Rethink Drink and partner action plan
- Publish new Sunderland Smokefree Partnership plan
- Develop new Sunderland Workplace Health 3-year strategy and action plan
- Stables development opens
- Seaburn Masterplan reviewed
- Potters Hill Housing Phases 1 & 2 complete
- Sunnyside Masterplan produced
- Riverside Multi-Storey Car Park Opens
- Holmeside Multi-Storey Car Park Opens
- Bus Rationalisation Route completed
- Development of multi-cultural and community events across the city
- Increase in economic activity in the Port
- Whitburn Road active travel cycle improvements completed
- Electric Vehicle Strategy and Roadmap published
- Deliver electric buses and strategic rapid charging facilities
- Continue e-Scooter trial
- Pre-opening programme activity for



- Culture House begins
- Maximise Housing Support Grant to vulnerable groups across the city
- Develop Fuel Poverty Plan and partnership approach to Cost of Living Crisis support programme
- Develop Community Digital and Health Hubs from the Warm Spaces approach
- Implement the Housing Strategy and Homelessness and Rough Sleeper Prevention Strategy
- Develop the council's first rough sleeper accommodation
- Open Elemore Park café and garden centre and secure investment for wider park developments
- Establish the Sunderland VCS Alliance as an independent Community Interest Organisation
- Continue to deliver the Community Wealth Building Strategy
- Implement a range of Adult Social Care automated telephony apps to support welfare checks, reviews and customer feedback
- Partnership working to ensure safe and timely hospital discharge with residents and carers central to discharge planning and receiving quality and timely advice and information
- Support the implementation of Dementia and Smart Homes Grants as part of the Disabled Facilities Grant offer
- Enhance the Adult Social Care Direct
- Payment/Personal Budget Offer as a viable alternative to traditional support at home packages
- Partnership working to develop and implement a Trusted Assessor model to support Social Care
- Continue to deliver the Community Wealth Building Strategy building on the Community Wealth Charter and Real Living Wage City accreditation
- More resilient families in Sunderland
- Sunderland Station Southern Entrance open
- More local people benefitting from a stronger economy
- Increase in the number and strength of creative and cultural businesses
- Sunderland's heritage collections, archives and buildings enjoyed by residents and safeguarded for future generations
- Tackle anti-social behaviour and perceptions of crime in the City Centre through the SAIL project
- First Early Adopter New T Level qualifications awarded
- World class music events staged in the city

# Indicative Timeline 2024–25

- Penshaw Gardens, Station Road – 72 affordable apartments for people over the age of 55
- Eskdene Rise, Hetton-le-hole – 86 homes, including affordable rent and shared ownership
- Social Housing Decarbonisation Scheme Wave 2 - 321 homes in total complete
- Gigabit fibre connectivity delivered to over 95% of premises across Sunderland and ongoing expansion of WI-FI and 5G Networks across the city
- New family hub in Hendon opens
- Completion of the Multiply Adult

- Numeracy Programme
- Sunderland’s Social Prescribing Strategic Group delivering an integrated city-wide social prescribing model
- Key housing sites at Vaux, Nile Street and Villiers Street developed
- Culture House cultural hub and library completed at Riverside Sunderland
- Northern Spire Phase 1 Film Studio Development complete
- Increase in economic activity in the Port
- Dame Dorothy Street active travel cycle improvements



- Bus Service Improvement Plan developed
- Deliver first older people later living village
- Review, develop and expand the Adult Social Care early intervention and prevention offer
- Finalise the review and redevelopment of Adult Social Care day opportunities in partnership with residents
- Enhanced Adult Social Care and support offer available to residents
- Develop and implement an engagement and co-production strategy for Adult Social Care

- The gap between average wages in the city and regional average wages will be reduced
- Sunderland recognised as a cultural destination of choice
- Changing places project for people with extra needs complete
- 2,000 new office jobs
- Deliver Expo Sunderland
- Housing Innovation and Construction Skills Academy opens at Riverside Sunderland
- and more to come...



# Indicative Timeline 2025–26

- Cricketers Hill, Carley Hill – 115 affordable homes
- Improved access to safer accommodation for domestic abuse survivors with complex needs
- Improved provision to hold domestic abuse perpetrators to account
- Increased support provision in schools and workplaces to tackle domestic abuse and gender-based violence
- Farringdon Row housing site complete
- Potters Hill housing Phase 3 complete
- Northern Spire Phase 2 Film Studio Development
- St. Mary's Boulevard development

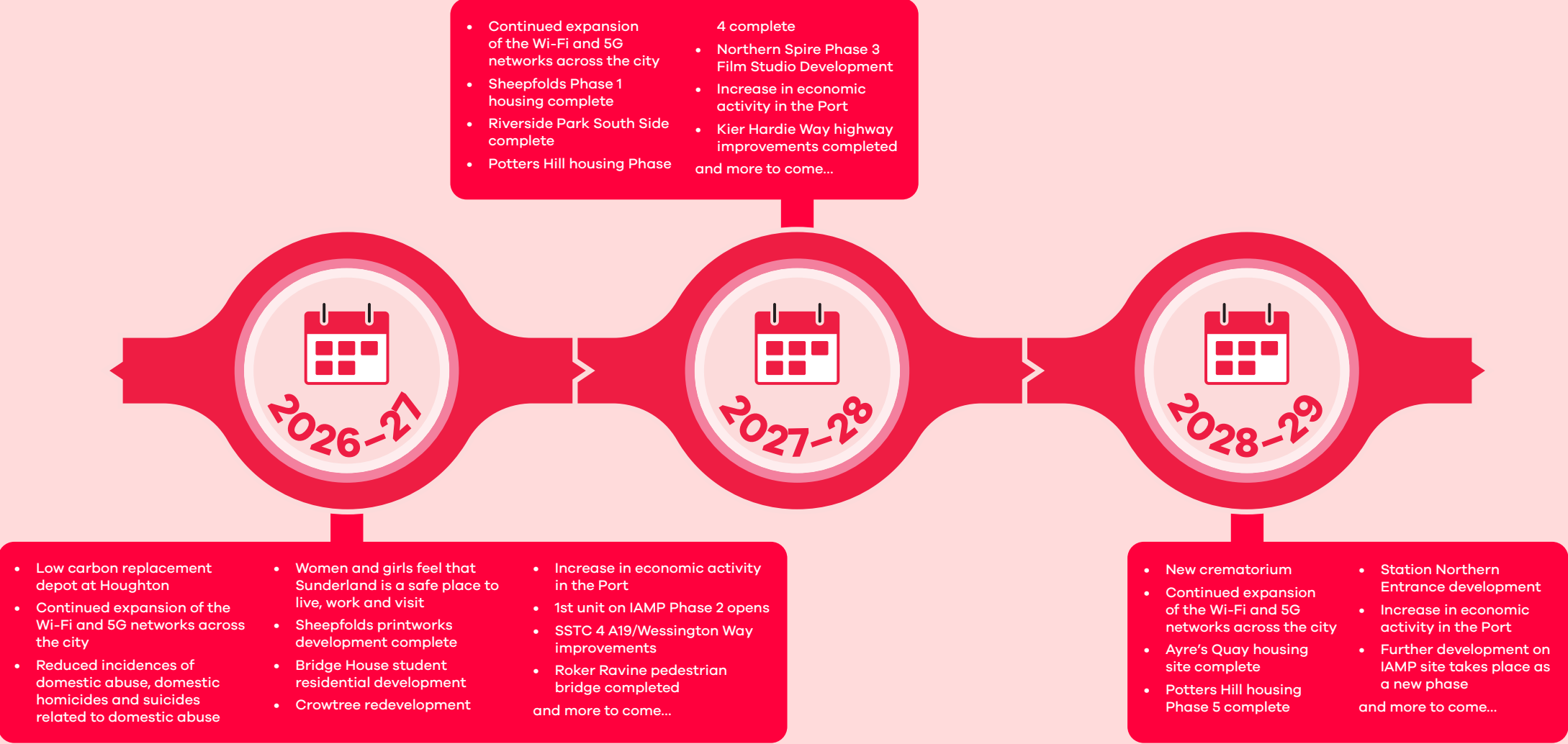
- Major international sporting events to take place in the city
- Increase in economic activity in the Port
- Construction of enabling infrastructure for IAMP Phase 2
- Submit a Rail Network Infrastructure Programme bid to increase capacity at Sunderland Station from two to four lines
- European Way active travel cycle scheme
- More homes with energy efficiency measures which lower carbon emissions
- Reduced emissions from council operational assets



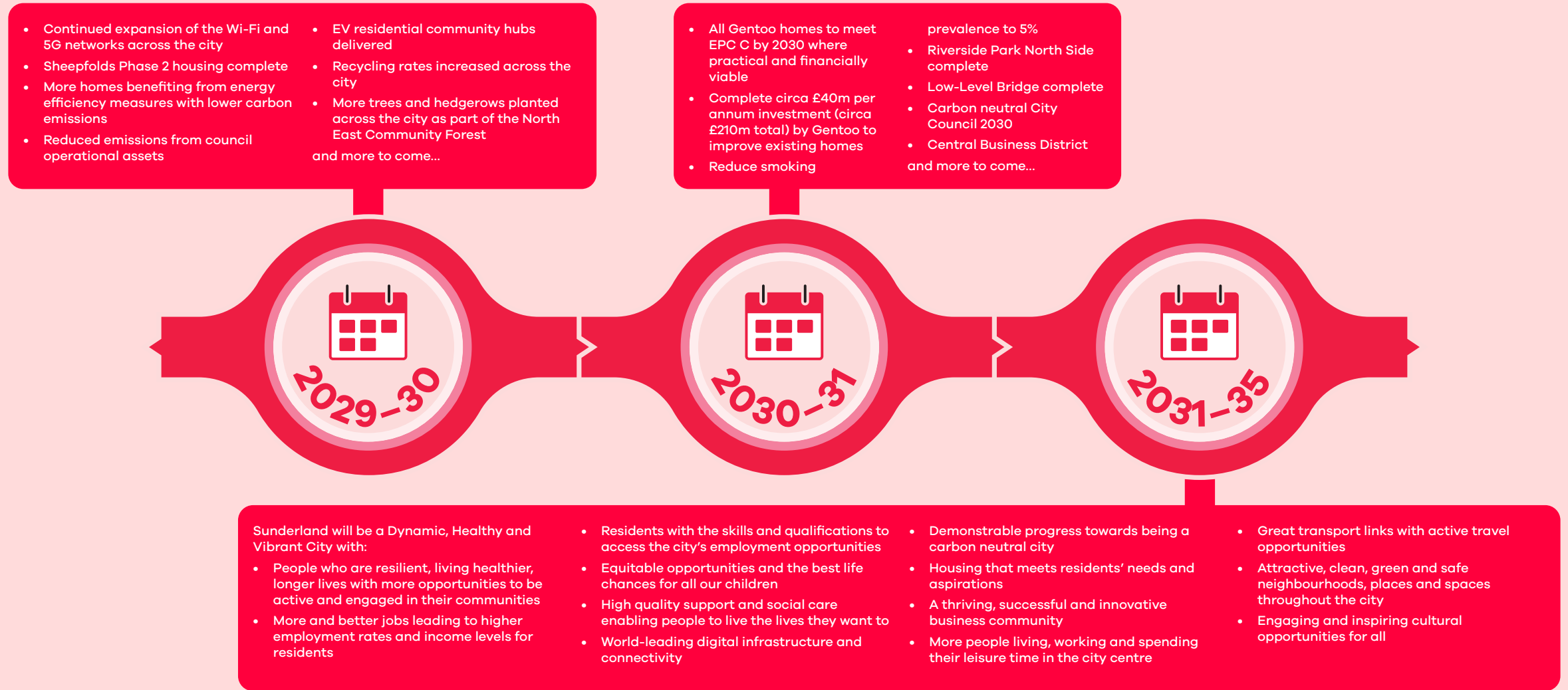
- EV residential community hubs delivered
- Recycling rates increased across the city
- More trees and hedgerows planted as part of the North East Community Forest
- Delivery of 574 council social housing homes completed
- Improved employment, training and volunteering for residents with a learning disability and or mental health problems
- Develop and implement the Adult Social Care Workforce Development Strategy
- Implement Carers Strategy

- Adult Mental Health Strategy delivered
- Additional low carbon affordable homes built at West Park housing (former Civic Centre)
- Open high-level pedestrian/cycleway smart bridge linking Vaux and Sheepfolds
- Sunderland recognised as a cultural destination of choice
- New Eye Hospital opens on Riverside Sunderland
- Develop and implement an engagement and co-production strategy for Adult Social Care including carers and more to come...

# Indicative Timeline 2026–29



# Indicative Timeline 2029–35



# Achievements Timeline

- 50 empty homes were brought back into use
- Assisted technology test-bed was delivered
- First Harry Watts Academy specialist academy for pupils aged 5 to 16 years with a diagnosis of Autistic Spectrum Condition and complex learning difficulties opened in Sunderland

- Continued delivery of council's Low Carbon Plan
- City Centre 5G Wi-Fi network launched
- Healthy City Strategy published
- Sunderland Covid-19 Health Inequalities Strategy published
- Increased engagement in drug and alcohol treatment services by parents/ carers

- Sunderland City Council registered as a Social Housing Provider
- New Children's Home (Nook Lodge) Opened
- New Supported Accommodation (Cliffe Park) Opened
- Additional investment in cultural events and venues

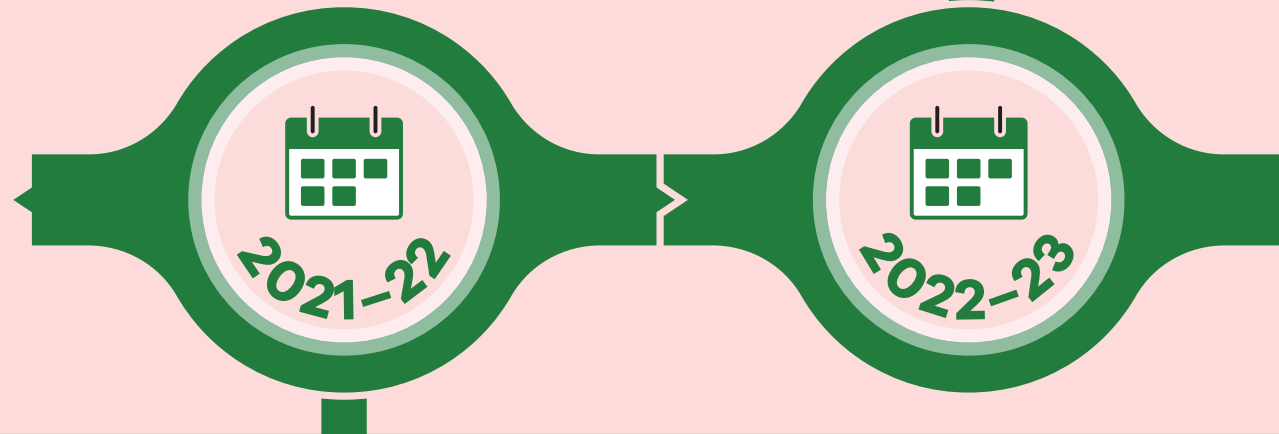


- 100% schools engaged with the Great Active Sunderland School Charter
- City's digital ambition and Smart City programme established
- Riverside Sunderland's first building The Beam opened
- Vantec Europe Ltd warehouse opened at Turbine Business Park
- Fastned rapid drive-through EV charging facility opened - the first in the UK

- 22nd World Transplant Games held in Sunderland for the first time
- Step-up Sunderland was launched
- University of Sunderland Medical School opened
- Sunderland's Empty Homes Strategy 2020-2025 was published
- 3 Football Hubs opened with state-of-the-art facilities following £18m total investment from the council and Football Foundation

# Achievements Timeline

- Increased walking and cycling routes developed linking communities to riverside, seafront and green spaces
- Reduction in smoking in the city
- Second Harry Watts Academy specialist academy for pupils aged 5 to 16 years opened in Washington
- New £13.3m Sunningdale School opened for children aged 2 to 11 with severe, profound and multiple learning difficulties
- New £6.3m buildings for Hetton Primary School opened
- Improvement in household recycling rates
- More people supported to live independently
- Hillthorn Business Park Phase 1 developed
- The Yard business hub opened
- Digital Catapult affordable warmth testbed delivered
- Elton John and Ed Sheeran performed at the Stadium of Light
- Advanced Digital Infrastructure Deployment continued
- Sunderland became a Real Living Wage city
- Successfully launched the new Domestic Abuse Support Service
- Hosted British Triathlon Super Series, Tour of Britain cycling Stage 3 finish, Tour Series 2022 cycling Round 3
- Launched Sunderland SWIM BIKE RUN programme
- providing new sport and physical activities participation opportunities for residents
- Sunderland City Council signed up to the Mental Health Prevention Concordat
- Percentage of adults smoking across the city reduced in the last 10 years from 24.3% to 15.2%
- Established Warm Hubs across the city
- New 4 Star hotel



- Development of new Sunderland Station Southern Entrance commenced
- City Hall opened at Riverside Sunderland
- Continued roll out of 5G city-wide
- SSTC3 (Northern Spire to City Centre) opened
- Increased business take-up of low carbon initiatives
- Increased economic activity at the Port of Sunderland
- 5-year Domestic Abuse Support Service Contract awarded to Wearside Women in Need
- Delivered Sunderland Covid-19 Health Inequalities actions as part of the Healthy City Plan
- 5G Connected Automated Logistics pilot project delivered
- Safer Streets project delivered
- Adult Mental Health Strategy for Sunderland approved for publication to create a framework to improve outcomes in mental health
- Household Waste Recycling Centre (Pallion) opened to improve household recycling rates
- Healthy Weight Declaration adopted
- Healthy Start uptake increased to 81%
- Established Housing Delivery Investment Plan including approval to £59 million gross investment in social housing in the city



# City Plan

2023–2035

City of   
Sunderland