

CABINET MEETING – 9 JUNE 2022

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

Capital Programme Outturn 2021/2022 (including Treasury Management)

Author(s):

Executive Director of Corporate Services

Purpose of Report:

This report details:

- the Capital Programme outturn for 2021/2022; and
- an update on the Treasury Management Borrowing and Investment Strategy outturn position for 2021/2022.

Description of Decision:

Cabinet is recommended to:

- note the inclusion of additional schemes or variations to existing schemes for 2021/2022 detailed at Appendix A, as a variation to the Capital Programme;
- note the overall Capital outturn position for 2021/2022; and
- note the Treasury Management Strategy and Prudential Indicators outturn position for 2021/2022.

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

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

Suggested reason(s) for Decision:

As included in the Council's constitution, Cabinet is required to exercise control over capital spend and resources and receives quarterly reports to support this. This report notes the inclusion of additional capital schemes approved by Cabinet since the last capital review and confirms the overall Capital outturn for 2021/2022. The report also notes the outturn position in respect of the Treasury Management Strategy and Prudential Indicators.

Alternative options to be considered and recommended to be rejected:

No alternative options are proposed.

Impacts analysed:

Equality ☒ Privacy ☒ Sustainability ☒ Crime and Disorder ☒

Is the Decision consistent with the Council's co-operative values?	Yes
Is this a "Key Decision" as defined in the Constitution?	Yes
Is it included in the 28 Day Notice of Decisions?	Yes

CABINET – 9 JUNE 2022

CAPITAL PROGRAMME OUTTURN 2021/2022 (INCLUDING TREASURY MANAGEMENT)

Report of the Executive Director of Corporate Services

1. Purpose of Report

1.1 This report details:

- the Capital Programme outturn for 2021/2022; and
- an update on the Treasury Management Borrowing and Investment Strategy outturn position for 2021/2022.

2. Description of Decision:

2.1 Cabinet is recommended to:

- approve the inclusion of additional schemes or variations to existing schemes for 2021/2022 detailed at Appendix A, as a variation to the Capital Programme;
- note the overall Capital outturn position for 2021/2022; and
- note the Treasury Management Strategy and Prudential Indicators outturn position for 2021/2022.

3. Introduction

3.1 The Capital Programme outturn position for 2021/2022 is shown in Section 4.

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

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

4. Capital Programme Outturn 2021/2022

4.1 Since the last capital review was reported to Cabinet in January 2022, and subsequent amendments to schemes approved by Cabinet, there have been changes to the 2021/2022 Capital Programme both in terms of expenditure and resourcing. The report sets out details of the net decrease in spending across all capital schemes of £65.201m, primarily due to reprofiling of expenditure, leading to a final outturn position of £124.213m in 2021/2022.

4.2 Scheme variations are categorised as follows:

- Reprofiled expenditure of £66.534m between 2021/2022 and future years. The primary reasons for this reprofiling relate to external influences outside of the Council's control, including as a result of impacts from Covid-19 / Ukraine War, or the realignment of projects to ensure best value is achieved;
- Additional schemes and scheme variations approved since the Capital Programme was last reported leading to a net increase of £1.321m in 2021/2022; and
- Technical adjustments, which increase the Capital Programme in 2021/2022 by £0.012m.

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

4.4 The Capital Programme delivery has been impacted by the Covid-19 pandemic and the associated national lockdowns and localised restrictions since March 2020. The Capital Programme Reviews for 2021/2022 reported to Cabinet during the year advised that industry commentators are indicating that uncertainties continue with upward cost pressures remaining on construction contracts exacerbated by global supply issues with raw materials (both availability and the timing of supplies) alongside labour cost pressures, and that this may manifest itself in increased costs and / or projects being delayed. These pressures to the capital programme remain and have increased further due to impacts from the Ukraine War on supplies and prices, in particular of steel, and which has also impacted on the timescales of some projects. As reported in the third review in January 2022 Cabinet there was no confirmation that further increases would be unaffordable against current approved capital programme scheme costs. However, cost pressures are now manifesting, and Appendix A confirms one project (Replacement Household Waste and Recycling Centre) at this stage that requires further funding as a result of these pressures. The capital programme continues to be scrutinised / monitored and impacts to be reported to Cabinet as necessary, following receipt of further tender prices.

5. **Review of the Prudential Indicators and Treasury Management Strategy for 2022/2023**

5.1 The Prudential Indicators for 2021/2022 were approved by the Council on 3rd March 2021 and have been regularly reviewed to ensure that:

- the Council remained within its Authorised Limit for External Debt;
- treasury management decisions are taken in accordance with the Treasury Management Code of Practice and existing Council Treasury Management Policy and Strategy Statement; and
- the Capital expenditure control framework operated locally is consistent with, and supportive of, local strategic planning, local asset management planning, and proper option appraisal.

5.2 Internal monitoring procedures track performance daily against the various prudential indicators agreed by the Council. Throughout 2021/2022 the Council operated within its Authorised Borrowing Limit, which is a statutory limit determined under Section 3 (1) of the Local Government Act 2003 and there are no areas of concern or any issues which require any review of the indicators originally approved.

Borrowing Strategy – 2021/2022

- 5.3 The Council's strategy for 2021/2022 was to adopt a pragmatic approach in identifying the low points in the interest rate cycle at which to borrow to secure benefit for the Council. A benchmark interest rate of 4.25% for long-term borrowing was set in the Treasury Management Policy and Strategy Statement for 2021/2022 reflecting the views prevalent at the time.
- 5.4 There was considerable volatility in the financial markets during 2021/2022. In April 2021, 50-year Public Works Loan Board (PWLB) interest rates for maturity loans were 2.23%, dropped significantly during early December 2021 with a historically low rate being 1.40% on the 7th of December before gradually rising again to a peak of 2.68% by the end of March 2022.
- 5.5 Due to the overall financial position and the underlying need to borrow for capital purposes (the Capital Financing Requirement – CFR), new borrowing of £100m was taken during December 2021 at the rate of 1.40%. Borrowing at this low rate has reduced the average cost of borrowing across the portfolio.
- 5.6 The Borrowing Strategy for 2021/2022 made provision for debt rescheduling but due to the proactive approach taken by the Council in previous years, and because of the very low underlying rate of the Council's long-term debt, no opportunities arose to refinance long-term loans at favourable interest rates. The Treasury Management team will continue to monitor market conditions and secure early redemption if appropriate opportunities should arise in the future.

Investment Strategy – 2021/2022

- 5.8 The primary aim of the Investment Strategy is the security of Council funds, then having regard to liquidity, i.e. the availability of cash to meet the Council's liabilities, and finally to secure a reasonable rate of return on its investments.
- 5.9 On 5 May 2022, the Bank of England's Monetary Policy Committee (MPC) announced it had raised interest rates for the fourth meeting in a row from 0.1% in December 2021, to 0.5% in February 2022, to 0.75% in March 2022, and then 1.0% in May 2022, the highest they have been since March 2009. Rates are forecast to continue to increase and will remain under constant review.
- 5.10 During 2021/2022 the Council achieved a rate of return on its investments of 0.22% compared with the benchmark rate of 0.14%. Whilst returns available in the market remain historically low, the performance achieved is above the benchmark rate, whilst adhering to the prudent policy agreed by the Council.

6. Reasons for Decision

- 6.1 As included in the Council's constitution, Cabinet is required to exercise control over capital spend and resources and receives quarterly reports to support this. This report notes the inclusion of additional capital schemes approved by Cabinet since the last review and confirms the overall capital outturn for 2021/2022.

Cabinet is also requested to note the Treasury Management Strategy and Prudential Indicators outturn position for 2021/2022.

7. Alternative Options

7.1 No alternative options are proposed.

8. Impact Analysis

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

9. List of Appendices

Appendix A – Variations to the 2021/2022 Capital Programme to those previously reported

10. Background Papers

Sunderland City Council Capital Programme 2022/2023 to 2025/2026.
Third Capital Review 2021/2022.

Appendix A

Variations to the 2021/2022 Capital Programme to those previously reported

Portfolio / Project	Latest Revised 2021/2022 Budget (Budget Book) £'000	Reprofiling of 2021/2022 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Outturn 2021/2022 £'000	Comment
Deputy Leader						
Sunderland Central Station Redevelopment & Car Park	6,540	(5,686)	0	0	854	The Transforming Cities Fund Outline Business Case for the new multi-storey car park on Holmeside was approved April 2022 following appointment of construction contractor in March 2022. Issues with land acquisition have delayed the programme of works. However, the planning process is underway and to be followed by main construction works to commence late summer 2022 and scheduled to complete Autumn 2023. There was a delay with progression to the Central Station Redevelopment following the later than planned signing of the Implementation Agreement with Network Rail owing to protracted dialogue. However, the redevelopment is now progressing with demolition having started May 2022 and scheduled for completion August 2022, then followed by construction which is scheduled to complete July 2023. To align with the current development timescales, there will be £5.686m reprofiled from 2021/2022 into 2023/2024.
Scheme Feasibility and Design	4,508	(3,602)	0	(125)	781	Funding has been provided to deliver feasibility and design works for strategically important projects which support the economic regeneration of across the City in line with the City Plan. Whilst these works are progressing, the timing of the delivery of these early-stage works has been reviewed and realigned to reflect the updated City Plan, latest delivery masterplans and also emerging funding opportunities. Therefore, £3.602m is to be reprofiled into 2022/2023 and 2023/2024 for future planned scheme development works.

Portfolio / Project	Latest Revised 2021/2022 Budget (Budget Book) £'000	Reprofiling of 2021/2022 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Outturn 2021/2022 £'000	Comment
Riverside Sunderland Multi- Storey Car Park	5,100	(2,899)	0	0	2,201	Work on the new multi-storey car park on Sunderland Riverside commenced on site in October 2021 and the project is programmed to complete by November 2022. However, £2.899m budget is to be reprofiled from 2021/2022 to 2022/2023. In addition, there is £0.4m to be funded from the Council's Carbon 2030 budget to support installation of EV charging facilities in the car park.
Provision for Economic Development Grants	1,875	(1,605)	0	0	270	Economic Development expenditure grant is paid upon beneficiaries meeting the specified grant conditions. The Covid-19 pandemic has had an impact on businesses investing during this period, with only £0.270m of funding drawn down in 2021/2022 for claims meeting grant conditions. There is an expectation that significant support to businesses will be needed to unlock investment as we move into recovery, with the 2021/2022 balance of £1.605m to be reprofiled into 2022/2023 and later years.
SSTC Phase 3 Road	9,979	(1,471)	0	0	8,508	The SSTC3 Phase 3 road linking the Northern Spire to the City centre opened on 3rd November 2021. Although the main contract works are complete, there remains outstanding budget for final settlement of land acquisition and utilities costs, and associated fees. The balance of £1.471m will therefore be reprofiled into 2022/2023.
Integrated Transport	2,400	(1,292)	0	0	1,108	£1.292m is to be reprofiled from 2021/2022 into 2022/2023 being aligned/earmarked as match funding in 2022/2023 for other externally funded projects including the Holmeside Bus Rationalisation and Priority Measures.
Hillthorn Business Park - Power Supply	1,238	(1,229)	0	0	9	The requirement for the provisional sum for plot power connections at Hillthorn Business Park will become known end of 2022. The value of the main works by Northern Powergrid will also not be confirmed until around same date, requiring a budget to be maintained for potential further costs. The balance of budget of £1.229m will therefore be reprofiled from 2021/2022 into 2022/2023 to meet these potential costs.

Portfolio / Project	Latest Revised 2021/2022 Budget (Budget Book) £'000	Reprofiling of 2021/2022 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Outturn 2021/2022 £'000	Comment
City Way Dualling	4,690	(1,234)	(313)	0	3,143	Completion of the City Way dualling of road was expected by mid-July 2022 but this has slipped a month to August as numerous vandalism incidents have delayed utilities works, resulting in a reprofiling of £1.234m from 2021/2022 into 2022/2023. The project is currently forecast to underspend, and it is proposed that £0.313m is to be vired to the A19/A690 Doxford Park Junction Improvement Scheme to meet the overspend on those works. Both projects are fully funded by the Homes England Housing Infrastructure Fund.
A19/A690 Doxford Park Junction Improvement Scheme	151	(85)	313	0	379	The project to provide capacity improvement measures at the A19/A690 Doxford Park junction are complete apart from some minor remedial works. However, costs were more than the original estimate due to the requirement for further utility works including a diversion of an electric cable. The additional cost of £0.313m is to be funded by a cost saving from the City Way Dualling project - both projects are fully funded by the Homes England Housing Infrastructure Fund.
Vehicle Replacement Programme	1,827	(1,199)	0	0	628	The timing of vehicle replacements is continuously reviewed to ensure vehicles and equipment are only replaced when needed i.e. seeking maximum economic life from the fleet whilst taking in to account maintenance costs. This, alongside consideration of lead in times for delivery, has resulted in £1.199m of the budget to be reprofiled from 2021/2022 into 2022/2023.
Coastal Defence - Strategic Frontage 3	1,472	(1,011)	0	0	461	The delivery of the rock armour required for the coastal defence works to the Strategic Frontage 3 (SF3) has been delayed due to further consideration needed in relation to the submitted tenders. A contractor has now been appointed and the rock armour will be delivered by end of August 2022. The £1.011m 2021/2022 balance of budget will be re-profiled beyond 2022/2023 though to align to the current overall SF3 project timescales.

Portfolio / Project	Latest Revised 2021/2022 Budget (Budget Book) £'000	Reprofiling of 2021/2022 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Outturn 2021/2022 £'000	Comment
Parks, Open Spaces and Allotment Improvements	1,000	(972)	23	0	51	Commencement on a range of open space schemes across the City has been delayed to ensure detailed consultation with Neighbourhood and Community Boards to inform on the plans. Following some minor spend of £0.051m and securement of £0.023m external funding in 2021/2022, £0.972m budget is to be re-profiled into 2022/2023 to fund progress and completion of those schemes during that year.
Redevelopment of Parsons Depot including Electrical Vehicle Infrastructure	4,200	969	0	0	5,169	The redevelopment of the new Parsons Depot is progressing well, resulting in acceleration of the profiled expenditure of £0.969m from 2022/2023 into 2021/2022. The first main phase of works being the construction of the new building and infrastructure which will be complete Summer 2022, and the second phase which is the demolition of the current building by Autumn 2022.
Vaux Phase 1 (Beam)	1,369	(781)	0	0	588	Since the opening of the Beam over 60% of the building has been let. The remaining budget held in 2021/2022 was to fund further building fit out requirements and external works. Over the last year, work has been undertaken to design and develop a fit-out strategy for the remaining tenant space. The remaining budget of £0.781m is to be reprofiled from 2021/2022 into 2022/2023.
Lorry Parking Facility	750	(750)	0	0	0	Alternative locations are still being considered for a lorry park in Washington to accommodate 48 to 54 articulated HGVs, resulting in the £0.750m budget to be reprofiled from 2021/2022 into 2022/2023.
SSGA - Ryhope Doxford Link Road	1,616	710	45	0	2,371	Excess arisings generated by earthworks activities have been disposed off-site earlier than previously expected, resulting in acceleration of £0.710m from 2022/2023 into 2021/2022. Additional funding of £0.045m has been secured from Homes England via their Capacity Funding grant to meet some specific external support costs for the project.

Portfolio / Project	Latest Revised 2021/2022 Budget (Budget Book) £'000	Reprofiling of 2021/2022 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Outturn 2021/2022 £'000	Comment
Elemore Green Space and Social Enterprise Development	600	(499)	0	0	101	Following significant resident consultation on 12th October 2021 Cabinet approved the procurement for the capital works required to redevelop the former Elemore Golf Course site in Hetton into an Eco Park, Cafe, Garden and Visitor Centre. Initial building inspections, clearance works, tree planting and redevelopment works to the current car park commenced December 2021. Following significant inspection works, planning permission approval for change of use of building was received in February 2022, and the application for a change of use for the wider 60-hectare site is expected to be considered in Autumn 2022. The planned opening date of Easter 2022 for the new visitor garden centre and café was delayed due to the additional surveys required within the building; this is now expected to be open for Autumn 2022. The value of works to date in 2021/2022 is £0.101m, requiring £0.499m to be reprofiled into 2022/2023 and 2023/2024 for the further works. External funds continue to be secured to deliver the project, including funding for the development of Changing Places standard facilities within the building at Elemore to support residents with physical disabilities, funding to install play and fitness equipment and also to plant large areas in the site with new trees and shrubs.
Replacement Household Waste and Recycling Centre	3,871	(401)	458	0	3,928	The new Household Waste and Recycling Centre opened on 1st February 2022 as scheduled. Since opening, there have been further minor landscaping works and planting, as well as the construction of the re-use shop due for completion June 2022. There has been cost increases outside of the Council's control due to the global supply and cost issues, particularly steel price and supply issues. The outturn cost for the project is therefore now projected to be £0.458m more than current budget, with £0.057m being for costs incurred in 2021/2022 and forecast costs of £0.401m in 2022/2023. It is proposed that this is funded from available Capital resource at a corporate level.

Portfolio / Project	Latest Revised 2021/2022 Budget (Budget Book) £'000	Reprofiling of 2021/2022 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Outturn 2021/2022 £'000	Comment
Seaton Lane Junction Improvements – Durham CC	657	(391)	0	0	266	Junction improvement construction works to Seaton Lane are to be delivered by Durham County Council, and are scheduled to commence August 2022, being a few months later than previously anticipated, resulting in £0.391m to be reprofiled from 2021/2022 to 2023/2024, and due for completion Summer 2023.
Riverside Animation	393	(389)	0	0	4	Planned works to the riverside animation remain on hold until lease arrangements are concluded with the Crown Estate. The budget of £0.389m will therefore be reprofiled from 2021/2022 to 2022/2023.
Herrington Country Park	445	(360)	0	0	85	The works to reconfigure the Café and Events space within the site office at Herrington Country Park have progressed. However, there was a delay to start of works due to additional required investigative works around electrical and water supplies, resulting in £0.360m budget to be reprofiled from 2021/2022 into 2022/2023. These works are scheduled to complete August 2022.
Landscaping & Grounds Improvements	346	(307)	0	0	39	The suitability of schemes to be delivered within the Landscaping and Ground Improvements project has been reassessed. Following spend of £0.039m in 2021/2022, this has resulted in reprofiling of £0.307m from 2021/2022 into 2022/2023 for further improvements to be delivered within that year.
Sunderland Eye Infirmary	1,912	(291)	0	0	1,621	Planning consent has been obtained and a preferred contractor appointed on a pre-construction services agreement, following an open tender process. Since the end of 2021/2022 work has been ongoing to undertake the necessary pre-construction surveys to discharge pre-commencement planning conditions. To align with the current development timescales, there will be £0.291m reprofiled from 2021/2022 into 2022/2023.

Portfolio / Project	Latest Revised 2021/2022 Budget (Budget Book) £'000	Reprofiling of 2021/2022 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Outturn 2021/2022 £'000	Comment
Port Enterprise Zone	697	(289)	0	0	408	The Port Enterprise Zone infrastructure works comprise four works packages; rail improvements, dock road realignment and upgrade, East Shore land remediation and Trinity (formerly Hendon Sidings) land remediation. The rail, road and east shore elements are complete. The proposed civil engineering works to enable the 11-acre Trinity Enterprise Zone site to be 'shovel ready' have experienced delays associated with finalising the scheme design and the subsequent planning application. The delivery of physical works is now likely to commence Summer 2022/2023, resulting in £0.289m to be re-profiled from 2021/2022 into that year.
Flood and Extreme Weather Mitigation	539	(40)	301	0	800	Further funding from the Environment Agency has been secured for several schemes, from which £0.301m funding is to finance works in 2021/2022. Schemes include Pallion Flood Alleviation and Lake Road. The full allocations will be brought into the Capital Programme upon final sign-off of these grant agreements, along with funding for other schemes.
LED Street Lighting Phase 2	1,197	0	200	0	1,397	The LED street lighting project is now complete. All works were fully funded by an interest free loan from Salix, with a final project cost of £8.1 million. This represents an increase in project costs of approximately £0.2m due to additional controls to reduce street lighting burning hours and increase variable lighting levels wherever possible and associated fees. The project is now delivering savings in excess of £5 million per annum, an increase on forecast due to recent energy price increases.
Play and Urban Games	344	(160)	155	0	339	Further S106 developer funding of £0.155m has been secured to provide a new play and urban games facility at Newbottle and improvements to a skate park at King George playing fields. This will be delivered in 2022/2023, with the total re-profiling for play and urban games totalling £0.160m from 2021/2022.

Portfolio / Project	Latest Revised 2021/2022 Budget (Budget Book) £'000	Reprofiling of 2021/2022 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Outturn 2021/2022 £'000	Comment
Other Projects	28,383	(953)	(57)	(487)	26,886	Minor Variations (<£0.250m) to several projects.
Total Deputy Leader	88,099	(26,217)	1,125	(612)	62,395	
Cabinet Secretary						
Software Licenses	0	0	0	874	874	Intangible Assets fully funded from Directorate resources – spend and funding of £0.874m transferred from Revenue to the Capital Programme.
City Hall - Furniture and Equipment	3,953	(1,885)	0	0	2,068	Furniture and fit-out works were delivered as part of the City Hall development. The remaining budget relates to further fit-out works to tenant areas as part of the strategy to let parts of the building to partner organisations or 3rd party tenants. The balance of budget of £1.885m will be reprofiled from 2021/2022 into 2022/23 to meet further costs.
Green Homes Grant – Local Authority Delivery Phase 2	1,750	(1,718)	0	0	32	The Green Homes Grant project is fully funded by the Department for Business, Energy and Industrial Strategy (BEIS), via Tees Valley Combined Authority (NE & Yorks Energy Hub). This will deliver approximately 500 energy efficiency and low carbon interventions in 270 properties across a wide range of tenures on a city-wide basis. BEIS extended their deadline from March 2022 to June 2022 due to supply chain delays, resulting in reprofiling of £1.718m from 2021/2022 into 2022/2023 to deliver these works, now in progress, following initial surveys in 2021/2022.
Public Sector Decarbonisation Scheme	2,216	(1,619)	0	0	597	The Public Sector Decarbonisation Scheme is fully funded by Salix to deliver air source heat pumps to Council properties. During the last financial year air-source heat pumps have been fitted to Evolve building, Ryhope Customer Service Centre and Houghton CSC. The Department for Business, Energy and Industrial Strategy extended their deadline from March 2022 to June 2022 due to supply chain delays, to complete works on other properties, resulting in reprofiling of £1.619m from 2021/2022 into 2022/2023.

Portfolio / Project	Latest Revised 2021/2022 Budget (Budget Book) £'000	Reprofiling of 2021/2022 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Outturn 2021/2022 £'000	Comment
Planned Property Capital Maintenance	4,593	(1,231)	0	0	3,362	There has been a catchup on the schedule of planned property capital works that had been impacted by the pandemic, resulting in £3.362m works delivered in 2021/2022. The plan of works continues to be reviewed in line with Council needs and priorities, and £1.231m budget is to be reprofiled from 2021/2022 to 2022/2023 to meet the cost of further required scheduled works.
Solar PV Battery Storage	1,475	(1,186)	0	0	289	Works are ongoing at the original 5 sites and are due to be completed by the end of September 2022. Due to an underspend against the original ERDF European funding allocation, a further 3 sites had been identified for solar PV and battery storage (Farringdon Row MSCP, St Mary's MSCP and Bunnyhill Centre) and these were approved in a Project Change Request submitted to the Department for Levelling Up, Housing and Communities in January 2022. These additional sites must be completed by April 2023 to meet ERDF funding deadlines.
Smart Cities Project	6,010	(1,369)	0	0	4,641	The partnership has accelerated the delivery of the new 5G private network in the city centre and the delivery of the much enhanced free, ultra-fast Wi-Fi network in the city centre and Roker to the summer of this year bringing high speed connectivity and a range of digital and data solutions benefiting residents, businesses, and visitors to the city. Due to success of the Smart City team in attracting external funding and re-programming of works to leverage the full benefits afforded by the new Strategic Smart City JV partnership, £1.369m is to be reprofiled from 2021/2022 to 2022/2023.
Refresh of Essential Core ICT Infrastructure	600	(225)	0	0	375	The rationalisation and refresh of the Council's ICT estate has progressed during 2021/2022, however, due to capacity to deploy and adopt the new suite of technologies which is now entering the final phase of deployment, the remaining budget of £0.225m is to be reprofiled in to 2021/2022 to 2022/2023.
Other Projects	1,291	(710)	0	0	581	Minor variations (<£0.200m) to several projects.
Total Cabinet Secretary	21,888	(9,943)	0	874	12,819	

Portfolio / Project	Latest Revised 2021/2022 Budget (Budget Book) £'000	Reprofiling of 2021/2022 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Outturn 2021/2022 £'000	Comment
Children, Learning & Skills						
Schools' Asset Management Unallocated	715	(1,021)	306	0	0	The unallocated school's asset management budget is held for unforeseen winter and other emergencies e.g. heating failure, storm damage, as well as for contributions to major schools conditions projects. Given the scale of the current schools programme and the cost pressures being experienced on construction contracts exacerbated by global supply issues, £1.021m is to be reprofiled for expected use in 2022/2023.
Hetton Primary School - new build	2,608	813	0	0	3,421	The construction of the new Hetton Primary School is progressing well and on schedule for the partial handover to the school for September 2022. There will be £0.813m budget to be reprofiled from 2022/2023 into 2021/2022 to match the spend in that year.
Sunningdale Primary School - new build	8,275	538	0	0	8,813	The construction of the new Sunningdale Primary School is progressing well and on schedule for the handover to the school for September 2022. There will be £0.538m budget to be reprofiled from 2022/2023 into 2021/2022 to match the spend in that year.
SSGA - School Extensions to St Paul's & Benedict Biscop	904	(3)	(105)	0	796	The extensions to both St Pauls and Benedict Biscop schools to support increasing schools places for new housing developments in the South Sunderland Growth Area (SSGA) is now complete. The costs are £0.105m lower than initial estimates, funded by the Homes England Housing Infrastructure Fund, and this balance will support funding of other projects in the SSGA.
Harry Watts Academy	270	(32)	(131)	0	107	The new Harry Watts Academy opened to pupils Easter 2021. There had been minor final spend of £0.107m in 2021/2022, and a further £0.032m in 2022/2023 for settlement of a final contract account. There is therefore £0.131m spend below the approved budget, funded by the Education Skills & Funding Agency.

Portfolio / Project	Latest Revised 2021/2022 Budget (Budget Book) £'000	Reprofiling of 2021/2022 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Outturn 2021/2022 £'000	Comment
Schools' Devolved Capital	862	(538)	13	0	337	Funding and the delivery of the associated Capital schemes is devolved to maintained schools. Following spend of £0.337m in 2021/2022, £0.538m is to be reprofiled into 2022/2023.
Children's Residential Homes	363	(363)	0	0	0	The plans for additional children's residential home places to reduce the reliance upon external placements continues to progress following the refurbishment of Nook Lodge into a 3 bed children's home. Cabinet was informed on 11th January 2022 of plans to acquire two accommodations - one for Together for Children's new edge of care service (Wear Together) and the other for a new children's home supporting children and young people with Autism and Learning Disabilities (A&LD). However, a rental option has been deemed more feasible for the Wear Together service and is being progressed and, as yet suitable accommodation has not been located and secured for the A&LD home. The 2021/2022 profiled budget of £0.363m will be re-profiled into 2022/2023 – plans in that year include acquisition of a property to provide emergency accommodation for children and young people, linking into the Nook Lodge home.
Other Projects	4,759	(119)	(258)	0	4,382	Minor variations (<£0.130m) to several projects – budget re-allocated to School's Asset Management Unallocated.
Total Children, Learning & Skills	18,756	(725)	(175)	0	17,856	
Dynamic City						
Strategic Acquisitions and Developments	21,751	(10,919)	(1,510)	0	9,322	Funding is provided to acquire real estate investments to support strategic economic regeneration and the City Plan. However, as negotiations progress, the timeline for some of the proposals has been reviewed, requiring £10.919m to be reprofiled from 2021/2022 into 2022/2023 and 2023/2024.

Portfolio / Project	Latest Revised 2021/2022 Budget (Budget Book) £'000	Reprofiling of 2021/2022 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Outturn 2021/2022 £'000	Comment
Keel Square Hotel	1,575	(3,083)	1,510	0	2	Cabinet approved on 22nd March 2022 the fit out works to the Council controlled ground floor retail units within the new Keel Square Hotel. These works are to be funded from the Future High Streets Fund grant and the Council's Strategic Acquisitions and Developments budget. Following minor spend of £0.002m in 2021/2022, the Council is expected to take possession by June 2022 to then fund the fit out works for prospective tenants, with £3.083m budget to be reprofiled from 2021/2022 into 2022/2023.
Commercial Road Development	2,303	(2,303)	0	0	0	The development of a site at Commercial Road has not yet progressed due to the ongoing consideration by the Council of its disposal strategy that maximises the re-development opportunity at the site and also considers the potential relocation of activity from elsewhere aligned to other city centre strategic regeneration schemes. The 2021/2022 budget of £2.303m will therefore be reprofiled from 2021/2022 into 2022/2023.
Riverside Sunderland Infrastructure	4,286	(1,919)	0	0	2,367	The various work packages, including the new wear footbridge, to deliver on the Riverside Sunderland Masterplan are progressing, but at varying stages of design, consultation and works, including via the Scheme Feasibility and Design project. Works to form new clifftop footpaths, 5G infrastructure and sustainable urban drainage across the Riverside Sunderland development have commenced on site with construction works well advanced. To align with the current development timescales, £1.919m will be reprofiled from 2021/2022 into 2022/2023.
City of Sunderland Arena Enabling Works	1,443	(1,183)	0	0	260	Negotiations with an owner of the Bridges Shopping Centre to acquire a number of vacant retail units to facilitate the proposed City of Sunderland Arena (Crowtree Place) development have been prolonged as a consequence of the impact of COVID-19, resulting in design and development work not progressing as planned. The remaining 2021/2022 budget of £1.183m will be reprofiled from that year to 2022/2023 and be aligned to the main project delivery budget.

Portfolio / Project	Latest Revised 2021/2022 Budget (Budget Book) £'000	Reprofiling of 2021/2022 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Outturn 2021/2022 £'000	Comment
International Innovation Centre	352	(352)	0	0	0	The building works on the International Innovation Centre were completed on 31 March 2020. Due to the Covid-19 pandemic and the demand from Central Government for regional Nightingale Hospitals, the Centre was selected as the preferred site for the North East hospital. As a consequence, the Centre has been under the temporary control of NHS England until recently. The balance of 2021/2022 budget of £0.352m will be reprofiled into 2022/2023 for follow on works to bring it back into its original intended use.
HICSA (Housing Innovation Construction & Skills Academy)	707	(583)	0	0	124	The HICSA project received planning approval on 28th March 2022. This was later in the year than initially expected and mainly due to a delay in receiving confirmation of Department for Levelling Up, Housing and Communities Levelling Up Funding - this external funding confirmation was integral to the viability of the project, and approval was received in October 2021. The procurement to appoint a developer is underway and the start date on site is due September 2022 with completion of works expected November 2024. The unspent 2021/2022 budget of £0.583m is to be reprofiled from that year into 2022/2023.

Portfolio / Project	Latest Revised 2021/2022 Budget (Budget Book) £'000	Reprofiling of 2021/2022 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Outturn 2021/2022 £'000	Comment
Housing Delivery Investment Plan	10,138	(4,539)	0	0	5,599	<p>The delivery to meet the planned outcomes of the Housing Delivery Investment Plan continues with over £10m invested to date into new bungalows, supported accommodation and bringing empty properties into use.</p> <p>There has been an additional 25 Purchase and Repair properties acquired within 2021/2022 - 2 Council owned properties refurbished for supported accommodation, the completion of 19 new build bungalows which are all currently tenanted through Sunderland Housing Services and 3 properties purchased as part of the Domestic Abuse Support Project. However, £4.539m needs to be reprofiled from 2021/2022 into future years. This in the main relates to:</p> <ul style="list-style-type: none"> • Purchase & Repair - reduced activity due to properties not being available to purchase. • Old Mill Road - eleven two-bedroom bungalows and five three-bedroom house across 3 phases. This is progressing, however some delay due to a range of issues including delays in agreements with the agreed developer and delays due to supply chain issues and resources. • James William Street Development - Supported Accommodation for complex needs. A delay in the land acquisition has resulted in the building construction works to now commence in 2022/2023. • Hylton Road Supported Development - New Build of 18 Supported Housing Bungalows. Acquisition of land is now expected to be completed Autumn 2022 following relevant planning conditions expected to be approved Summer 2022. • There is also acceleration in relation to 2 bungalows at Redmond Road which are now complete, 3 Domestic Abuse Support Scheme properties and the refurbishment of Grasmere Avenue family supported accommodation.

Portfolio / Project	Latest Revised 2021/2022 Budget (Budget Book) £'000	Reprofiling of 2021/2022 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Outturn 2021/2022 £'000	Comment
Inspiring Futures Programme - Delivering a new approach to Homelessness Services and Accommodation	676	(670)	0	0	6	Provision of accommodation for clients with complex needs. There have been difficulties with identifying suitable locations / agreeing valuations. Budget profiled in 2021/2022 was primarily for 6 RSAP (Rough Sleeping Accommodation Programme) properties for homeless support. These properties have been difficult to identify, and none have been purchased, although one has now been identified and is currently with conveyancing. This has resulted in a requirement to reprofile £0.670m from 2021/2022 into 2022/2023.
Empty Properties Programme	905	(676)	0	0	229	The properties purchased by Thirteen Group under the collaboration agreement with the Council are expected to be repurchased by the Council and brought into Sunderland Housing Services portfolio of properties in 2022/2023, resulting in £0.676m to be reprofiled from 2021/2022 into that year.
Willowfield - Supported Housing Village	500	(454)	0	0	46	Provision of self-contained supported living apartments for those adults requiring Extra Care and those living with the onset of Dementia. The project will also incorporate a separate Intermediate Care unit consisting of apartments with end-suite bedrooms and rehabilitation support, which will be used by the Council and health partners. Willowfield school was expected to be demolished by the end of September 2021, but this was pending the outcome of ecology reports, which remains in progress. Demolition has therefore not yet occurred resulting in reprofiling of £0.454m from 2021/2022 into 2022/2023.
Affordable Housing Provision	658	(168)	0	0	490	The remaining land purchase at Amberley and Harrogate Streets, Hendon had been delayed due to assessment of viability of housing provision by Thirteen Group due to changing market conditions. This has resulted in reprofiling of £0.168m from 2021/2022 into 2022/2023. Discussions are ongoing with Thirteen Group re key dates moving forward and progression of the land purchase, which will then lead to provision of new affordable housing.

Portfolio / Project	Latest Revised 2021/2022 Budget (Budget Book) £'000	Reprofiling of 2021/2022 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Outturn 2021/2022 £'000	Comment
Other Projects	7,028	(842)	120	0	6,306	Minor fully funded variations (<£0.250m) to several projects.
Total Dynamic City	52,322	(27,691)	120	0	24,751	
Healthy City						
Disabled Facilities Grants	4,632	(894)	0	0	3,738	Provision of disabled facilities grants progressed in 2021/2022 with spend of £3.738m. However, due to the Covid-19 pandemic and the associated national lockdowns and localised restrictions, the occupational therapist team were not always able to carry out home visits and complete assessments in the best manner possible whilst ensuring all government guidance was adhered to with consideration to the safety of all people involved. The balance of unspent funding in 2021/2022 of £0.894m will therefore be reprofiled into 2022/2023 to provide grants in that year.
Other Projects	629	(66)	1	0	564	Minor variations (<£0.025m) to several projects.
Total Healthy City	5,261	(960)	1	0	4,302	
Vibrant City						
Neighbourhood Capital Investment Programme	987	(668)	16	0	335	Neighbourhood Renewal capital schemes across the 5 geographical areas are determined and approved by Area Committees, with £2.222m approved to date. Following further residents' consultation on specific schemes, there is spend of £0.335m in 2021/2022 resulting in £0.668m to be reprofiled from this year into 2022/2023 and 2023/2024.
Culture House	1,356	317	0	0	1,673	The Culture House project has progressed well, necessitating £0.317m budget to be accelerated into 2021/2022 from 2022/2023, with planning consent having been obtained in March 2022. A demolition contractor has been appointed and vacant possession of the existing buildings on the site has been achieved, with demolition work expected to commence June 2022. The appointment of a preferred contractor is underway with a view to being on site in late 2022 subject to negotiations and statutory utility providers delivering the necessary utility diversions to enable the development.

Portfolio / Project	Latest Revised 2021/2022 Budget (Budget Book) £'000	Reprofiling of 2021/2022 Expenditure £'000	Additional Schemes and Variations to Existing Projects 2021/2022 £'000	Technical Adjustments 2021/2022 £'000	Outturn 2021/2022 £'000	Comment
Digitisation of Local History & Library Collections	300	(300)	0	0	0	There has been a delay in the appointment of a contractor for digitalisation of records due to the nature and complexity of the procurement exercise. The contractor has now been appointed and works will progress in 2022/2023 with the reprofiling of the £0.300m 2021/2022 budget into 2022/2023
Hetton Ward Sport & Recreation Facilities	0	(156)	191	0	35	Provision of formal sport and recreation facilities within the vicinity of Land North of Murton Lane, Hetton. To be funded by £0.191m S106 developer funding - £0.035m spend in 2021/22 and £0.156m estimated in 2022/2023.
East Rainton Cricket Club	0	(35)	43	0	8	Improvements to the ground and ancillary facilities at East Rainton Cricket Club. To be funded by £0.043m S106 developer funding - £0.008m spend in 2021/22 and £0.035m estimated in 2022/2023.
Other Projects	445	(156)	0	(250)	39	Minor variations (=<£0.250m) to several projects.
Total Vibrant City	3,088	(998)	250	(250)	2,090	
TOTAL CAPITAL PROGRAMME	189,414	(66,534)	1,321	12	124,213	
Reprofiling to 2022/2023		(46,052)				
Reprofiling to 2023/2024 and Beyond		(20,482)				

