

# AUDIT AND GOVERNANCE COMMITTEE: DRAFT CAPITAL STRATEGY 2026/27



## 1. INTRODUCTION AND CONTEXT

This draft Capital Strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, alongside an overview of how associated risk is managed and the implications for future financial sustainability. The statutory 2018 Treasury Management Code of Practice Guidance requires that all Local Authorities produce a Capital Strategy each year.

Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and to a local policy framework, summarised in this report. This year's Capital Strategy report has been developed following a review of the capital programme, and a consideration of the affordability of ongoing capital investment. The local policy framework described in section 7 below sets out overarching principles for the Council's capital programme and planning in order to ensure the capital programme remains affordable.

The Capital Strategy forms part of a suite of strategies which provide a holistic view of the Council's financial planning framework. This document should be considered in conjunction with the Medium-Term Financial Strategy and the Treasury Management Strategy.

## 2. CAPITAL EXPENDITURE, SOURCES OF FINANCING AND THE CAPITAL PLAN

Capital expenditure is defined as money spent on assets, such as property or vehicles, which will provide a service benefit for more than one year. In local government, this also includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 (land and buildings) and £5,000 (vehicles, plant, or equipment) are not capitalised and are charged to revenue in year.

Capital expenditure is financed by a range of sources which may either be ringfenced or un-ringfenced. The source of financing is always identified and approved at the time of capital project approval. The Capital Programme is currently financed by:

- Capital Receipts.
- Grants and contributions.
- S106 and Community Infrastructure Levy (CIL).
- Revenue Contribution to Capital Outlay (RCCO).
- Borrowing – both funded corporately ('Corporate Borrowing'), or where schemes deliver a saving or income, funded directly by a service using income or budget savings (known as 'Service Borrowing').

The Capital Plan is the collective term which defines two key elements; the Capital Programme as approved by the Leader or S151 Officer and the Capital Pipeline which refers to possible future funding that may be available for future projects yet to be approved.

The Capital Programme (described in section 3 below) is the list of schemes which have a confirmed funding source and have been approved for capital investment by the Leader following consideration of a robust, evidence-based business case.

The Capital Pipeline (described in section 4 below) is the term used to refer to identified need or strategic ambition for future investment, utilising funding that the Council hopes to receive in the future

but which has not yet been approved; or potential future borrowing. Only more significant, strategic items are identified as part of the Capital Pipeline, which is used primarily to assess the affordability of the overall Capital Programme in the context of future demand, and to inform the Council's Medium Term Financial Forecast. It is a high-level projection for planning purposes, and will change and develop over time. Inclusion of a scheme or programme within the Capital Pipeline does not mean the scheme or programme is approved – the governance process set out in section 8 below will apply to all schemes before they are approved onto the Capital Programme, whether or not schemes are previously included in the Capital Pipeline.

### 3. CAPITAL PROGRAMME

The City Council's capital programme continues to drive high levels of investment into the City, with a broad range of projects in delivery or about to start, including:

- Investment in City Centre regeneration (for example, Armada Way, the Guildhall project, the Civic centre).
- Investment in additional capacity for social care and SEND services (for example, the acquisition of new Homes for Plymouth Looked After Children, the Meadow View project, the expansion of capacity for SEND education).
- Investment in major transport, infrastructure and flood prevention schemes (the Manadon and Woolwell to the George major road schemes, the Royal Parade project).
- Investment to address the condition of the City Council's asset base (our FM, Foreshore and Highways Maintenance programmes).
- Investment to support the economic growth of the City (e.g. the Embankment Road scheme within the Property Regeneration Fund, the Freeport programme).
- Investment in leisure and recreation facilities and to address the climate emergency (e.g. the National Marine Park programme, the Plymouth & Southwest Devon Community Forest, investment in parks and play equipment, the city centre heat network and building decarbonisation projects).

The current capital programme builds on a period of transformational investment by the City Council in recent years. The City Centre regeneration, leisure and recreation and major transport investments described above build on previous investments such as Old Town / New George Street, the Forder Valley Link Road and the redevelopment of the former Brickfields site (now Foulson Park). Earlier investments to create the Box and the Life Centre have provided Plymouth with world-class heritage, culture and sports facilities; more recently the investment in the Park Crematorium will provide modern, best-in-class facilities to support bereaved families. Ongoing investment in economic growth at our Freeport sites builds on developments already delivering employment opportunities at Derriford District Centre, Oceansgate and many other sites operated through the Council's Property Regeneration Fund portfolio.

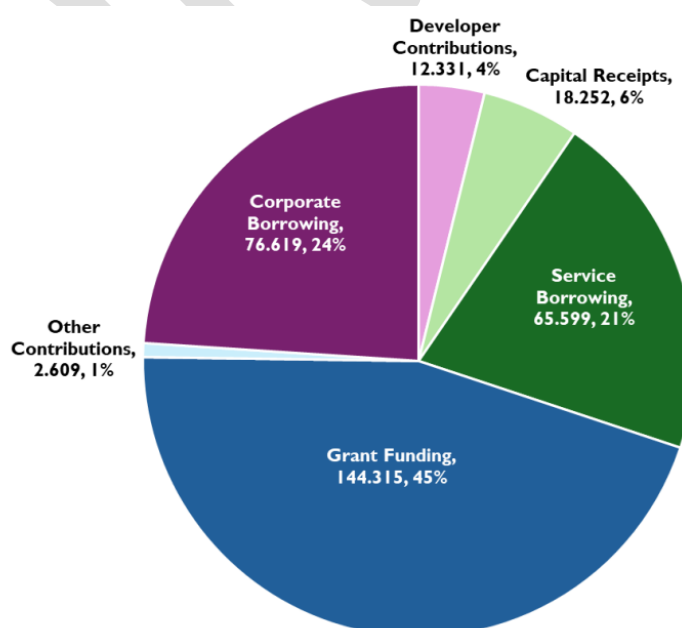
Following these recent investments, and with the current programme drawing to a close, the need for ongoing investment beyond the current programme is envisaged to level off. The planning horizon for this Capital Strategy envisages that our investment to date has provided a platform where the City Council will take an enabling leadership role, rather than a direct development role. Future transformational regeneration and economic development investment (such as the New Towns programme and Defence Growth Deal) will be progressed through partnerships. Whilst we anticipate an ongoing, dynamic and ambitious investment programme will continue across the city, the scale of City Council borrowing required is anticipated to reduce and refocus on core, smaller-scale infrastructure such as the Council's highways network, foreshore and other key assets.

Table I below sets out a summary of the 5-year Capital Programme as at 31<sup>st</sup> December 2025, summarised by funding source in Figure I. Appendix I provides more detail of the component schemes and sub-programmes.

Table I. Five Year Capital Programme by Directorate:

| Directorate                                  | 2025/26 Forecast | 2026/27 Forecast | 2027/28 Forecast | 2028/29 Forecast | 2029/30 Forecast | Total          |
|--|------------------|------------------|------------------|------------------|------------------|----------------|
|  | £m               | £m               | £m               | £m               | £m               | £m             |
| Children's Services                          | 3.719            | 0.935            | 0.410            | -                | -                | 5.064          |
| Adults, Health and Communities               | 15.421           | 9.968            | 1.904            | -                | -                | 27.293         |
| Growth - Economic Development                | 38.067           | 32.403           | 34.920           | 8.160            | 0.266            | 113.816        |
| Growth - Strategic Planning & Infrastructure | 62.362           | 59.639           | 11.527           | 1.933            | 0.275            | 135.736        |
| Growth - Street Services                     | 20.295           | 8.551            | 0.222            | 0.212            | 0.247            | 29.527         |
| Customer & Corporate Services                | 5.168            | 2.442            | 0.100            | 0.101            | -                | 7.811          |
| Office for Director of Public Health         | 0.478            | -                | -                | -                | -                | 0.478          |
| <b>Total</b>                                 | <b>145.510</b>   | <b>113.938</b>   | <b>49.083</b>    | <b>10.406</b>    | <b>0.788</b>     | <b>319.725</b> |
| <b>Financed by:</b>                          |                  |                  |                  |                  |                  |                |
| Capital Receipts                             | 10.872           | 4.163            | 1.189            | 1.762            | 0.266            | 18.252         |
| Grant Funding                                | 79.616           | 47.935           | 16.275           | 0.193            | 0.296            | 144.315        |
| Corporate Funded borrowing                   | 35.110           | 19.032           | 17.374           | 5.187            | -                | 76.703         |
| Service dept. supported borrowing            | 16.266           | 32.634           | 13.311           | 3.162            | 0.226            | 65.599         |
| Developer contributions                      | 1.135            | 10.159           | 0.934            | 0.102            | -                | 12.330         |
| Other Contributions                          | 2.511            | 0.015            | -                | -                | -                | 2.526          |
| <b>Total Financing</b>                       | <b>145.510</b>   | <b>113.938</b>   | <b>49.083</b>    | <b>10.406</b>    | <b>0.788</b>     | <b>319.725</b> |

Figure I: Funding of the 2025-2030 Capital Programme:



## The Capital Programme Review

The Capital Programme is regularly reviewed through the council's ongoing budget monitoring process. However, following recommendations by external auditors, the Finance team have worked with project officers, Service Directors and the council's political and officer leadership to undertake a more extensive review of the capital programme. This has resulted in £86.0m of project expenditure (£46.3m of which is financed by borrowing) being re-profiled from the 2025/26 capital budget into future years, together with an additional £82.3m removed from the 5-year programme altogether (£71.4m of which was financed by borrowing). Table 2 below shows the net impact of this review work in the first two years of the 5-year programme, after the offsetting impact of new schemes approved during the year has been taken into account. It shows a 'flattening' of the original programme, achieved through a detailed re-profiling and re-forecasting exercise, as well as a considerable overall net reduction in borrowing compared to the original position. The budgeted pressure for debt financing in 2026/27 has reduced significantly as a result of this work.

Table 2: Capital Programme Review - overall movement in capital programme forecast for 2025-2027 period

|   | 2025/26      |                                     | 2026/27      |                                     |
|---|--------------|-------------------------------------|--------------|-------------------------------------|
|   | Total (£m)   | Of which financed by borrowing (£m) | Total (£m)   | Of which financed by borrowing (£m) |
| <b>Original capital programme (April 2025):</b>                                 | <b>195.2</b> | <b>92.6</b>                         | <b>73.9</b>  | <b>67.2</b>                         |
| Less: expenditure re-profiled into future years (net)                           | (86.0)       | (46.3)                              | 52.3         | 18.1                                |
| Less: approvals removed from programme  | (1.6)        | (1.0)                               | (41.6)       | (38.6)                              |
| Less: funding switched / reprofiled between borrowing and other funding sources | 0.0          | (1.6)                               | 0.0          | 0.0                                 |
| Plus: total new approvals   | 37.9         | 7.7                                 | 29.3         | 5.0                                 |
| <b>Current capital programme (December 2025)</b>                                | <b>145.5</b> | <b>51.4</b>                         | <b>113.9</b> | <b>51.7</b>                         |

## 4. CAPITAL PIPELINE

The Capital Pipeline is an important tool for financial and strategic planning, but (as noted in section 2 above) inclusion of an item on the Capital Pipeline does not mean that it will be approved for funding through the Capital Programme. It is a high-level document for planning purposes and will change over time as more detailed plans and programmes are developed, and in response to emerging strategic opportunities and objectives. The Capital Pipeline focuses on areas that require more significant elements of council borrowing – wholly grant funded projects and programmes are generally excluded from the pipeline, as these schemes do not place any direct burden on the council's capital financing budget. Table 3 overleaf sets out the summary Capital Pipeline that has been used to inform the capital planning assumptions set out elsewhere in this document

Table 3: Summary Capital Pipeline

| Capital Pipeline                                 | Estimated cost (£m)       |                           |                           |                           |   |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---|
|  | 2026-27 possible pipeline | 2027-28 possible pipeline | 2028-29 possible pipeline | 2029-30 possible pipeline | 2030-31 or future years possible pipeline |
| Children's Services - Residential Homes          | 1.00                      | 0.50                      | -                         | -                         | -   |
| Children's Services – SEND provision             | 8.00                      | 14.00                     | 8.00                      | -                         | -   |
| Public Health - Leisure facilities               | 2.50                      | 0.70                      | -                         | 0.10                      | -   |
| ICT infrastructure                               | -                         | 0.50                      | 0.50                      | 0.50                      | 0.50                                      |
| Energy Efficiency Invest to Save                 | 1.00                      | 1.00                      | 1.00                      | -                         | -   |
| Asset Mgt. & Foreshore programme                 | 3.25                      | 3.50                      | 2.50                      | 2.50                      | 2.50                                      |
| Foreshore contingency                            | 0.50                      | 0.50                      | 0.50                      | 0.50                      | -   |
| Vehicle, Plant and Equipment                     | 1.00                      | 1.00                      | 1.00                      | 1.00                      | 1.00                                      |
| Highways & Transport Asset Management programme  | 14.30                     | 16.60                     | 14.60                     | 15.20                     | 15.00                                     |
| City Regeneration (allowance estimate)           | 4.00                      | 6.00                      | 6.20                      | -                         | -   |
| Major Transport Schemes (pipeline)               | -                         | -                         | -                         | -                         | 11.80                                     |
| Play Strategy, Parks and Public Realm investment | 4.00                      | 4.00                      | 2.00                      | 2.00                      | 2.00                                      |
| Year 1 contingency (6.5% of total Capital Plan)  | 11.00                     | -                         | -                         | -                         | -   |
| <b>TOTAL CAPITAL PIPELINE</b>                    | <b>50.55</b>              | <b>48.30</b>              | <b>36.30</b>              | <b>21.80</b>              | <b>32.80</b>                              |
| <b>Financed by:</b>                              |                           |                           |                           |                           |   |
| Grants and other External Funding                | 13.10                     | 13.70                     | 10.30                     | 12.40                     | 16.80                                     |
| Corporate Funded Borrowing                       | 33.75                     | 25.50                     | 25.00                     | 8.40                      | 15.00                                     |
| Service Department Supported Borrowing           | 3.70                      | 9.10                      | 1.00                      | 1.00                      | 1.00                                      |
| <b>TOTAL FINANCING</b>                           | <b>50.55</b>              | <b>48.30</b>              | <b>36.30</b>              | <b>21.80</b>              | <b>32.80</b>                              |

## 5. THE DEDICATED SCHOOLS GRANT (DSG) DEFICIT

Plymouth faces significant pressures in SEND provision, consistent with national trends. Nationally, Education, Health and Care Plans (EHCPs) have increased by 140% over the past decade (from 240,183 in 2015 to 575,973 in 2023/24), and councils are forecast to carry a £5 billion SEND deficit by March 2026. Locally, Plymouth's special schools and academies are at capacity, driving reliance on costly out-of-area placements. The Council awaits the SEND White Paper (expected early in 2026), which should set out long-term reforms focused on improving outcomes rather than reducing support or altering entitlements without robust alternatives. In the meantime, councils can exclude DSG deficits from balance sheets under a statutory override extended to March 2028, providing short-term flexibility while awaiting reform.

Because of the ongoing extension of the DSG High Needs block statutory override, the Council's DSG deficit will continue to accumulate in a reserve on the Council's balance sheet, which is forecast to stand at £54.261m by the end of the 2025/26 financial year (an increase of £35.250m on the previous financial year's closing position of £18.498m). In line with national trends, this level of deficit is now

having a material impact on the council's cash balances, and therefore the Council's underlying need to borrow. For the first time, the council's Capital Strategy must consider the need to finance this growing working capital shortfall.

In Budget 2025, Central Government stated that: *"Future funding implications will be managed within the overall government DEL envelope, such that the government would not expect local authorities to need to fund future special educational needs costs from general funds once the statutory override ends at the end of 2027-28. The government will set out further details on its plans to support local authorities with historic and accruing deficits and conditions for accessing such support through the upcoming Local Government Finance Settlement."* At the provisional settlement, it was reiterated that: *"We will provide further detail on our plans to support local authorities with historic and accruing deficits and conditions for accessing such support later in the Settlement process."* Our Capital Strategy therefore assumes that from 1<sup>st</sup> April 2028 the council's DSG High Needs Block deficit is anticipated to move 'on balance sheet' to some extent. This could have a significant impact on the council's capital financing costs – the impact will depend on the level of government support, details of which will be incorporated into the Capital Strategy when known.

In line with the November budget announcement, we are assuming that DSG deficits will be fully funded by central government from April 2028 onwards (and so will cease to increase from that point). However, this Draft Capital Strategy assumes a worst-case scenario whereby the City Council becomes responsible for repayment of all of its DSG deficit from the 2028/29 financial year onwards. The table below shows what the estimated cost of financing the City Council's DSG deficit would be in future years, in a scenario where we receive no financial support from Central Government.

Table 4: Estimated borrowing to fund Dedicated Schools Block cumulative deficit

|  | 2025/26<br>forecast<br>(£m) | 2026/27<br>forecast<br>(£m) | 2027/28<br>forecast<br>(£m) | 2028/29<br>forecast<br>(£m) | 2029/30<br>forecast<br>(£m) |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| DSG Deficit Borrowing Requirement (as at year end)                                       | 54.261                      | 98.475                      | 168.369                     | 159.951                     | 151.532                     |
| Forecast financing costs – interest  | 0.536                       | 2.932                       | 4.936                       | 6.598                       | 6.251                       |
| Forecast financing costs – MRP<br>(assumes worst case scenario of no government support) | 0                           | 0                           | 0                           | 8.418                       | 8.418                       |

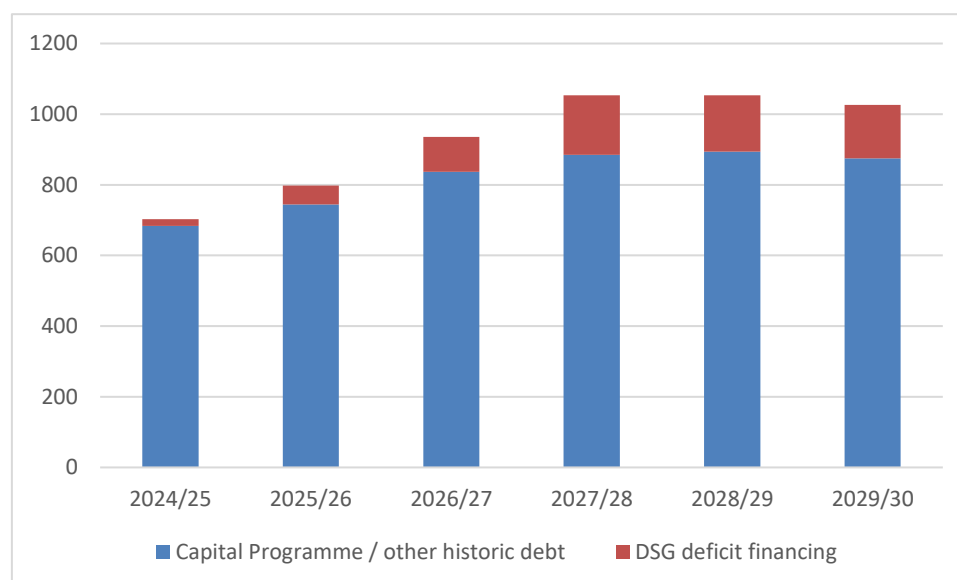
The estimates in table 4 below could change significantly with further Government announcements.

## 6. CAPITAL FINANCING AND THE MINIMUM REVENUE PROVISION

Plymouth City Council has been highly effective at leveraging in external funding to finance investment. From 2015 to 2025, over 40% of the council's capital investment was funded from external sources. As illustrated in Figure 1 above, going forward c. 50% of the current 5-year programme to 2030 is funded externally. In order to leverage in this funding, and directly to invest in income-generating assets, the Council has largely borrowed to finance the remainder of its capital programme (although Capital Receipts form a small but important component of financing, both historically and in the current programme).

As a result of historic borrowing, Plymouth City Council's debt – excluding PFI and lease liabilities – stood at £702.532m as at 31<sup>st</sup> March 2025. Figure 2 below shows how this debt is forecast to grow over the life of the current 5-year investment programme, based on the approved Capital Programme set out in section 3 above, the estimated Capital Pipeline set out in section 4, and the forecast cumulative DSG deficit set out in section 5. Whilst the total debt figures are significant, they should be seen in the context of the Council's total asset base, which (at the close of the 2024/25 financial year) stood at a book value of over £1.5bn.

Figure 2: Forecast debt (excluding PFI and lease liabilities) – total value of loans (£m).



The figure shows that, after factoring in the City Council's Capital Plan (both the current Capital Programme and the estimated Capital Pipeline), the level of borrowing is forecast to peak in 2028/29, before starting to reduce. This profile reflects the continuation, following a major review of the Capital Programme, of an ongoing dynamic and ambitious investment programme described in section 4 above. It also provides for an increasing focus on asset management following a period where much of the strategic need for public investment in the City has been addressed. A levelling-off, and then reduction in the council's level of capital financing debt will also support the Council's overall financial position, whilst still leaving scope for critical asset management programmes, and more modest levels of investment to support strategic priorities and ongoing major projects. The borrowing required to finance the DSG working capital position (shown in the red portion of the bar) is far more uncertain; these estimates will be affected by the forthcoming SEND White Paper and detail of the support for Local Authority SEND deficits heralded in the recent Provisional Local Government Finance Settlement.

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue through the minimum revenue provision (MRP) and loans fund repayments. Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and loan repayments are set out in Table 5 overleaf; these are accounted for within the debt profile set out in Figure 2 above.

Table 5: Replacement of prior years' capital debt finance (£m)

|                                 | <b>2025/26<br/>forecast</b> | <b>2026/27<br/>forecast</b> | <b>2027/28<br/>forecast</b> | <b>2028/29<br/>forecast</b> | <b>2029/30<br/>forecast</b> |
|---------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Minimum revenue provision (MRP) | 17.010                      | 22.514                      | 24.308                      | 25.433                      | 25.818                      |
| Loans fund repayments           | 0.546                       | 0.549                       | 0.555                       | 0.563                       | 0.600                       |
| <b>TOTAL</b>                    | <b>17.556</b>               | <b>23.063</b>               | <b>24.863</b>               | <b>25.996</b>               | <b>26.418</b>               |

Note: Table 5 above excludes potential MRP for DSG deficit financing from 2028/29 as this is unknown)

When a capital asset is no longer needed, it may be sold so that the proceeds (known as capital receipts), can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts “flexibly” on service transformation projects up until and including 2029/30. Repayments of capital grants, loans and investments also generate capital receipts. The Authority plans to receive £12.891m of capital receipts in the coming financial year as set out in Table 6 below:

Table 6: Capital receipts receivable (£m)

|                                 | <b>2025/26<br/>forecast</b> | <b>2026/27<br/>forecast</b> | <b>2027/28<br/>forecast</b> | <b>2028/29<br/>forecast</b> | <b>2029/30<br/>forecast</b> |
|---------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Asset sales                     | 9.804                       | 0.492                       | 0.000                       | 0.450                       | 0.000                       |
| Loans repaid and other receipts | 3.087                       | 1.341                       | 1.117                       | 1.162                       | 1.196                       |
| <b>TOTAL</b>                    | <b>12.891</b>               | <b>1.832</b>                | <b>1.117</b>                | <b>1.612</b>                | <b>1.196</b>                |

The Authority's full minimum revenue provision statement is set out within the Treasury Management Strategy [[link to be inserted in final document](#)].

## 7. AFFORDABILITY – A CAPITAL STRATEGY POLICY FRAMEWORK

The CIPFA Prudential Code requires all councils to demonstrate that borrowing is affordable, prudent and sustainable. To achieve this objective, this section sets out a policy framework that the City Council will be asked to agree at its budget setting meeting in February 2026. The policy framework will be reviewed each year as part of setting the annual Capital Strategy.

As set out in section 6 above, whilst a significant proportion of the council's Capital Programme investment is funded by external grant, it could not have happened without Plymouth City Council being prepared to borrow to drive the growth and development of the City. Following the recent Capital Review, and the development of a full Capital Pipeline, Figure 2 above shows that debt is forecast to peak and then start to fall over the medium-term financial planning period. This will support the long-term affordability of the ambitious investment the City Council has undertaken in recent years. A large proportion of the Council's debt has been used to invest in income-generating assets, principally the Council's Property Regeneration Fund (PRF) portfolio which is discussed in greater detail in section 9



below. The financing of this debt is affordable because of the income it has generated, with a surplus that also supports the Council’s wider revenue budget (the PRF also supports employment and the generation of business rate income, which in turn supports the financial sustainability of the City Council). We hope, following recent government announcements, that the council will also receive support for financing the DSG deficit.

Aside from the income-backed financing used to fund the PRF and other income-generating assets, and the temporary financing burden placed the Council by the DSG deficit, there is a core level of debt associated with our historic and current capital programme that will be funded from the Council’s core resources for many years to come. The cost of financing this element of debt is forecast to rise over the near-term (due to the ongoing growth in the capital programme), before reducing in the longer term due to the impact of MRP. Figures 3 and 4 below show how debt financing costs for each element of debt (income-backed financing, DSG deficit financing and core debt) are forecast to grow, in absolute terms, and as a proportion of the Council’s core (net revenue) resources.

Figure 3 – forecast debt financing costs (£m).

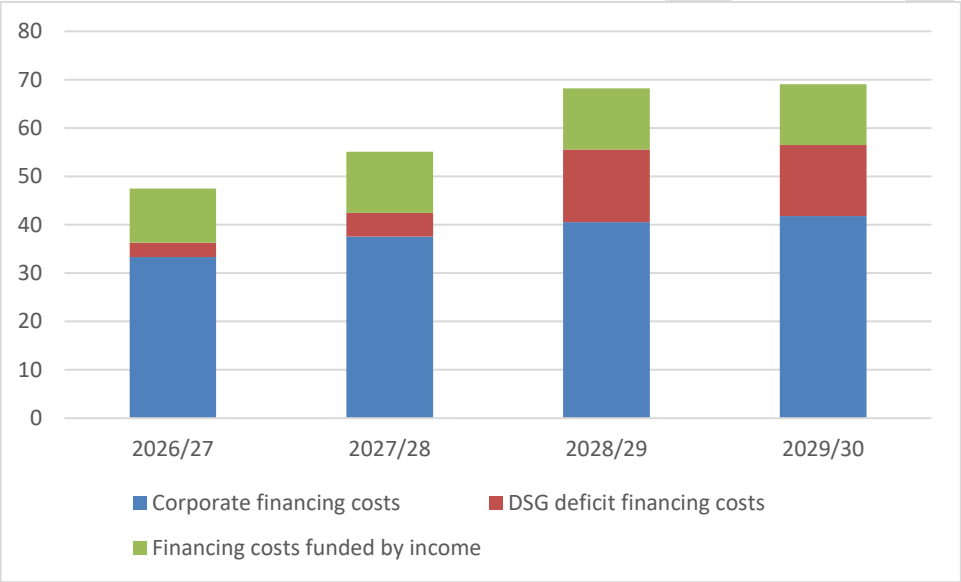
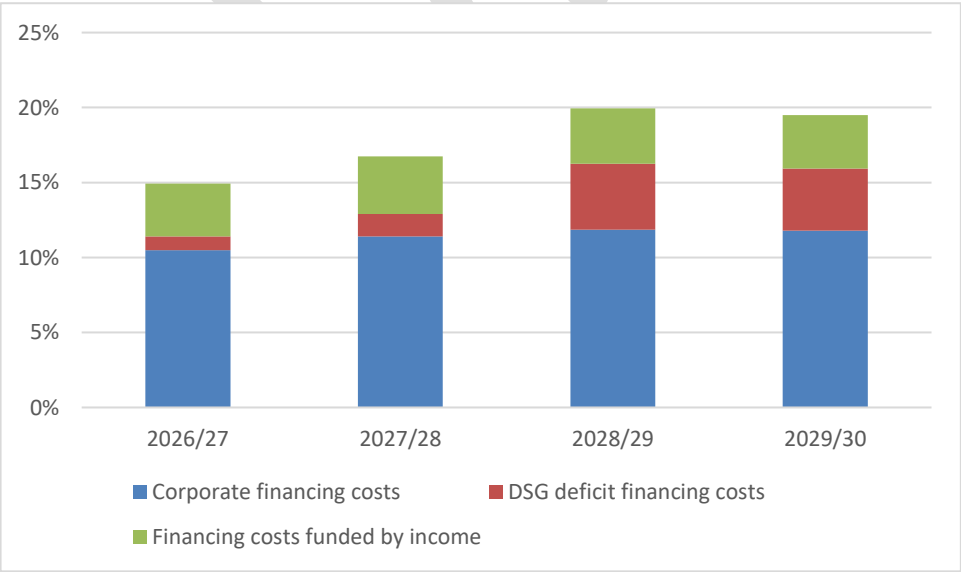


Figure 4 – forecast debt financing costs expressed as a % of forecast Net Revenue Budget.



## Local Policy Framework: Capital Strategy principles

The objectives of the Council's Capital Strategy are to enable investment that:

- supports the delivery of the City Council's strategic objectives,
- ensures existing assets are proactively maintained or replaced where necessary, and
- is affordable and does not over-expose the City Council to financial risk.

The following Capital Strategy principles have been developed to balance the need to improve proactive asset management of existing assets with investment in new infrastructure and regeneration, within an affordable capital programme. The additional burden of the Dedicated Schools Grant deficit has been considered within an affordable financial strategy for borrowing, as has the additional income provided through assets that generate revenue (e.g. the Property Regeneration Portfolio).

The principles set out here will guide the affordability and prioritisation of investment, for the period of this Capital Strategy, subject to annual review by the City Council at its budget setting meeting:

1. The Council should ensure that total debt borrowed for capital purposes (excluding funding for the DSG deficit and any other temporary, working capital requirement) remains below £900m over the 5-year life of the capital programme. This threshold excludes notional 'book' borrowing through PFI and other lease arrangements.
2. The Council will set a target cap of 12.5% as the % of revenue funding required to finance core debt (excluding the DSG deficit and income-backed debt) as a proportion of the council's core net revenue budget. The financing of DSG deficit debt and financing that is backed by ongoing income (shown in red and green respectively in Figures 3 and 4 above) will be outside of this target cap. The achievement of this target will depend on interest rate movements and the Council's borrowing strategy, and it may be reviewed in line with exceptional or unforeseen increases in the cost of borrowing. However, the Council will aim to reduce the % of core debt financing costs as a proportion of core revenue funding to a 10% threshold in the longer term and will ensure that the % starts to reduce within the next 5 years.
3. Ensure that total borrowing for capital investment (excluding DSG) levels off and starts to reduce over the life of the future 5-year programme from 2026/27 – 2030/31. In practice, this means that additional borrowing for capital purposes must be lower, over the 5-year period, than the MRP debt repayments we make over the next 5 years.
4. Within these financial parameters, the Council will prioritise funding to ensure that sufficient capital approvals are provided for ongoing programmes to prevent and address future asset failure and critical health and safety risks. Wherever possible, funding for these programmes will utilise external contributions and grants as a first call on any such available resources.
5. The Council will continue to explore opportunities to secure external funding to support investment into the City. However, to ensure that external funding supports the affordability of the Capital Programme, additional governance will be developed as part of the capital governance process set out in section 8 below. This will require that larger bids for external funding are brought into the capital governance process prior to a bid being entered into, so that implications for financial risk and affordability can be explored at an early stage.

In summary, these five principles propose that:

1. Core debt should remain below £900m over the next 5 years.

2. Core debt financing costs should be not more than 12.5% of the Council's core revenue funding, reducing within the next 5 years, with a longer-term objective to reduce to a 10% threshold.
3. Total borrowing for capital investment will start to reduce by 2030/31.
4. Within the capital programme, the Council will prioritise funding for essential maintenance.
5. Additional governance will ensure the financial risk and affordability implications of external funding bids are considered at a corporate level before a bid is submitted.

Taken together with the Prudential Code indicators set through the Council's Treasury Management Strategy, these principles will ensure that capital investment is affordable, prudent and sustainable. The Council will review its capital programme and associated financing requirements and borrowing limits if there is a significant change in the balance of costs and income forecast in the Council's rolling Medium-Term Financial Plan. This Capital Strategy has been developed in conjunction with a Medium-Term Financial Plan for the period 2026-29. There is a high degree of confidence that assumptions on costs and income made for the first year of this period are robust; as such the Council can be confident that the revenue consequences of the Capital Programme set out in this document for 2026/27 are affordable. However, looking forward to 2027/28 and future years there is more uncertainty, in particular over the level of demand for statutory services (and associated cost pressures). This being the case, the Local Policy Framework set out in this section will be reviewed on an ongoing basis as part of the Medium-Term Financial Planning cycle.

## **8. GOVERNANCE AND RISK MANAGEMENT**

The Council has published guidance in a Capital Handbook to strengthen governance on the Capital Programme. In conjunction with the Council's Constitution, the Capital Handbook details how capital projects are approved and added into the capital programme. The Local Policy Framework and Capital Strategy Principles set out above will be incorporated into capital governance processes.

As part of its capital governance process, the Council considers all financial decisions from a prudent perspective; this includes the assessment of the affordability of all capital investments. At the point of approval of a scheme, both the funding implications and any ongoing revenue implications are evaluated alongside financial risks, to enable informed decisions to be made. As much of the capital programme is funded by borrowing, assumptions and decisions on the cost and affordability of the Council's borrowing are linked to interest rates, prudential indicators and the approved borrowing strategy as set out in the Treasury Management Strategy. Treasury Management risks are set out in detail, alongside mitigating measures, in the Treasury Management Strategy [[link to be inserted into final document](#)].

Risks are assessed continually from both an operational and financial perspective. In carrying out due diligence, potential project risks are identified, and relevant mitigation measures documented prior to approval. All risks are then managed in line with the Council's risk management policy which includes documenting risks on a risk register, assigning owners, and the regular review of risks. Subject to careful consideration, the Council may consider investing in a higher risk initiative should there be a significant direct gain to the Council's resources or enable more effective delivery of its statutory duties.

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field.

## **9. NON-TREASURY INVESTMENT: THE PROPERTY AND REGENERATION FUND**

Plymouth City Council manages a portfolio of assets known as the Property and Regeneration Fund (PRF). The strategic objectives of the PRF portfolio are to deliver regeneration, economic and employment growth with associated income benefits in the Plymouth functional economic area. The Council has invested in direct developments and forward funding opportunities to promote regeneration, safeguarding and create new jobs as well as encouraging economic growth. The Property and Regeneration Fund helps deliver the Council's 'Plymouth Plan' and assists in the redevelopment of brown field sites in the Plymouth area where it can be difficult to attract external investment. Any regenerated areas encourage other private companies to invest in the locality as well as attracting external investment from inward investment by companies moving into the area.

The Property and Regeneration Fund (previously known as the Asset Investment Fund) has approved investment of over £250 million in commercial property. The principle objective of this investment is to drive economic growth and regeneration, however there are associated long-term income generation benefits (via rental revenues) which support the wider financial position of the Council.

The PRF portfolio forms the Council's principle "Non-Treasury" investment, and the detailed strategy, governance and risk management framework for the portfolio is set out in the Council's Non-Treasury Investment Strategy, along with further information on investment appraisal procedures, key financial indicators, and the capability and skills of staff and professional advisors involved in managing the assets. A draft Non-Treasury Investment Strategy is included within the draft Treasury Management Strategy for the Audit and Governance Committee to consider.

The Property and Regeneration Fund portfolio, alongside historic ('legacy') commercial property investments, form an important part of the Council's overall Capital Strategy. Following a recent review, the current approach is to continue to operate these assets and develop the portfolio for the economic benefit of Plymouth and the surrounding area, and to generate income which repays associated capital investment and provides a return over and above financing costs. The review (which took place in Autumn 2025) concluded that disposing of property would be detrimental to the Council's overall long-term financial position. However, this position will be kept under review as part of the Council's evolving Medium Term Financial Strategy and Capital Strategy as the portfolio also provides a potential source of capital receipts, which could be used to repay borrowing and / or finance investment.

## **CONCLUSION**

The Capital Strategy sets the context and framework to guide decisions on investment through the Capital Programme. It has been written to meet the requirements of CIPFA's Prudential Code and recommended best practice. Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Service Director of Finance is satisfied that the proposed Capital Plan is prudent, affordable and sustainable based on a clear five-year Capital Programme and an assessment of the Capital Pipeline. However, as noted above the affordability of capital financing will be reviewed as the Council's Medium Term Financial Plans evolve; in addition, budget assumptions around interest rates have risk which will be reviewed regularly and may lead to a further review of the Capital Programme to ensure it remains affordable

The Audit and Governance Committee is asked to endorse this draft Capital Strategy.

## Appendix 1: 5-year Capital Programme

| <b>CAPITAL PROGRAMME (DECEMBER 2025)</b>                              | <b>2025-26<br/>Latest<br/>Forecast<br/>£m</b> | <b>2026-27<br/>Latest<br/>Forecast<br/>£m</b> | <b>2027-28<br/>Latest<br/>Forecast<br/>£m</b> | <b>2028-29<br/>Latest<br/>Forecast<br/>£m</b> | <b>2029-30<br/>Latest<br/>Forecast<br/>£m</b> | <b>TOTAL<br/>PROGRAMME<br/>2025-30<br/>£m</b> | <b>Capital<br/>Receipts<br/>£m</b> | <b>Corporate<br/>Borrowing<br/>£m</b> | <b>Service &amp;<br/>External<br/>Borrowing<br/>£m</b> | <b>Grants<br/>£m</b> | <b>Contribns.<br/>£m</b> | <b>\$106 / CIL<br/>£m</b> | <b>Revenue<br/>£m</b> | <b>Total<br/>Funding<br/>£m</b> |
|---|---|---|---|---|---|---|------------------------------------|---------------------------------------|--|----------------------|--------------------------|---------------------------|-----------------------|---------------------------------|
| <b>TOTAL CHILDREN'S SERVICES</b>                                      | 3.719   | 0.935   | 0.410   | -   | -   | 5.064   | -                                  | 0.009                                 | 2.382  | 2.608                | 0.002                    | 0.058                     | 0.005                 | 5.064                           |
| <b>TOTAL ADULTS &amp; COMMUNITY SERVICES</b>                          | 15.421  | 9.968   | 1.904   | -   | -   | 27.293  | 0.790                              | 1.977                                 | 12.320   | 11.792               | 0.400                    | -                         | 0.014                 | 27.293                          |
| <b>TOTAL PUBLIC HEALTH</b>  | 0.478   | -   | -   | -   | -   | 0.478   | -                                  | 0.423                                 | -  | 0.055                | -                        | -                         | -                     | 0.478                           |
| <b>TOTAL CUSTOMERS AND COMMUNITIES</b>                                | 5.168   | 2.442   | 0.100   | 0.101   | -   | 7.811   | -                                  | 5.731                                 | 2.055  | -                    | -                        | -                         | 0.025                 | 7.811                           |
| <b>ECONOMIC DEVELOPMENT</b>   | 38.067  | 32.403  | 34.920  | 8.160   | 0.266   | 113.816                                       | 1.024                              | 25.187                                | 28.907   | 58.170               | 0.528                    | -                         | -                     | 113.816                         |
| <b>STREET SERVICES</b>  | 20.295  | 8.551   | 0.222   | 0.212   | 0.247   | 29.527  | 0.301                              | 10.351                                | 7.835  | 9.568                | 0.156                    | 1.262                     | 0.054                 | 29.527                          |
| <b>STRATEGIC PLANNING &amp; INFRASTRUCTURE</b>                        | 62.362  | 59.639  | 11.527  | 1.933   | 0.275   | 135.736                                       | 16.137                             | 33.025                                | 12.100   | 62.122               | 1.202                    | 11.010                    | 0.140                 | 135.736                         |
| <b>TOTAL PCC CAPITAL PROGRAMME</b>                                    | <b>145.510</b>                                | <b>113.938</b>                                | <b>49.083</b>                                 | <b>10.406</b>                                 | <b>0.788</b>                                  | <b>319.725</b>                                | <b>18.252</b>                      | <b>76.703</b>                         | <b>65.599</b>  | <b>144.315</b>       | <b>2.288</b>             | <b>12.330</b>             | <b>0.238</b>          | <b>319.725</b>                  |
| <b>CAPITAL PROGRAMME (DECEMBER 2025)</b>                              | <b>2025-26<br/>Latest<br/>Forecast<br/>£m</b> | <b>2026-27<br/>Latest<br/>Forecast<br/>£m</b> | <b>2027-28<br/>Latest<br/>Forecast<br/>£m</b> | <b>2028-29<br/>Latest<br/>Forecast<br/>£m</b> | <b>2029-30<br/>Latest<br/>Forecast<br/>£m</b> | <b>TOTAL<br/>PROGRAMME<br/>2025-30<br/>£m</b> | <b>Capital<br/>Receipts<br/>£m</b> | <b>Corporate<br/>Borrowing<br/>£m</b> | <b>Service &amp;<br/>External<br/>Borrowing<br/>£m</b> | <b>Grants<br/>£m</b> | <b>Contribns.<br/>£m</b> | <b>\$106 / CIL<br/>£m</b> | <b>Revenue<br/>£m</b> | <b>Total<br/>Funding<br/>£m</b> |
| Children's Services - Residential Homes                               | 1.282   | 0.300   | 0.410   | -   | -   | 1.992   | -                                  | -                                     | 1.992  | -                    | -                        | -                         | -                     | 1.992                           |
| Children's Services - other social care                               | 0.157   | 0.291   | -   | -   | -   | 0.448   | -                                  | -                                     | 0.390  | -                    | -                        | 0.058                     | -                     | 0.448                           |
| Children's Services - SEND sufficiency                                | 1.545   | 0.205   | -   | -   | -   | 1.750   | -                                  | -                                     | -  | 1.750                | -                        | -                         | -                     | 1.750                           |
| Children's Services - other education / early years                   | 0.735   | 0.139   | -   | -   | -   | 0.874   | -                                  | 0.009                                 | -  | 0.858                | 0.002                    | -                         | 0.005                 | 0.874                           |
| <b>TOTAL CHILDREN'S SERVICES</b>                                      | <b>3.719</b>                                  | <b>0.935</b>                                  | <b>0.410</b>                                  | <b>-</b>                                      | <b>-</b>                                      | <b>5.064</b>                                  | <b>-</b>                           | <b>0.009</b>                          | <b>2.382</b>   | <b>2.608</b>         | <b>0.002</b>             | <b>0.058</b>              | <b>0.005</b>          | <b>5.064</b>                    |
| Adults & Community Services - Meadow View                             | 6.442   | 3.909   | 1.904   | -   | -   | 12.255  | 0.790                              | 0.469                                 | 10.546   | 0.450                | -                        | -                         | -                     | 12.255                          |
| Adults & Community Services - The Royal Building                      | 0.048   | -   | -   | -   | -   | 0.048   | -                                  | -                                     | 0.048  | -                    | -                        | -                         | -                     | 0.048                           |
| Adults & Community Services - Family Hubs / Youth & Community centres | 1.602   | -   | -   | -   | -   | 1.602   | -                                  | 1.508                                 | -  | 0.080                | -                        | -                         | 0.014                 | 1.602                           |
| Adults & Community Services - Disabled Facilities                     | 4.496   | 0.300   | -   | -   | -   | 4.796   | -                                  | -                                     | -  | 4.396                | 0.400                    | -                         | -                     | 4.796                           |
| Adults & Community Services - Dispersed Temporary Housing Programme   | -   | 5.000   | -   | -   | -   | 5.000   | -                                  | -                                     | -  | 5.000                | -                        | -                         | -                     | 5.000                           |
| Adults & Community Services - Other housing / homelessness            | 2.683   | 0.123   | -   | -   | -   | 2.806   | -                                  | -                                     | 0.940  | 1.866                | -                        | -                         | -                     | 2.806                           |
| Adults & Community Services - Eclipse project                         | 0.150   | 0.636   | -   | -   | -   | 0.786   | -                                  | -                                     | 0.786  | -                    | -                        | -                         | -                     | 0.786                           |
| <b>TOTAL ADULTS &amp; COMMUNITY SERVICES</b>                          | <b>15.421</b>                                 | <b>9.968</b>                                  | <b>1.904</b>                                  | <b>-</b>                                      | <b>-</b>                                      | <b>27.293</b>                                 | <b>0.790</b>                       | <b>1.977</b>                          | <b>12.320</b>  | <b>11.792</b>        | <b>0.400</b>             | <b>-</b>                  | <b>0.014</b>          | <b>27.293</b>                   |
| Public Health - the Park Crematorium                                  | 0.247   | -   | -   | -   | -   | 0.247   | -                                  | 0.247                                 | -  | -                    | -                        | -                         | -                     | 0.247                           |
| Public Health - Foulson Park and other leisure                        | 0.231   | -   | -   | -   | -   | 0.231   | -                                  | 0.176                                 | -  | 0.055                | -                        | -                         | -                     | 0.231                           |
| <b>TOTAL PUBLIC HEALTH</b>  | <b>0.478</b>                                  | <b>-</b>                                      | <b>-</b>                                      | <b>-</b>                                      | <b>-</b>                                      | <b>0.478</b>                                  | <b>-</b>                           | <b>0.423</b>                          | <b>-</b>   | <b>0.055</b>         | <b>-</b>                 | <b>-</b>                  | <b>-</b>              | <b>0.478</b>                    |
| Customers & Communities - ICT Device Replacement                      | 0.858   | 0.070   | 0.100   | 0.101   | -   | 1.129   | -                                  | 1.129                                 | -  | -                    | -                        | -                         | -                     | 1.129                           |
| Customers & Communities - i-Trent                                     | 0.273   | -   | -   | -   | -   | 0.273   | -                                  | 0.273                                 | -  | -                    | -                        | -                         | -                     | 0.273                           |
| Customers & Communities - Delt 'Lights on' infrastructure             | 0.280   | 0.418   | -   | -   | -   | 0.698   | -                                  | 0.698                                 | -  | -                    | -                        | -                         | -                     | 0.698                           |
| Customers & Communities - Other ICT                                   | 0.983   | 1.302   | -   | -   | -   | 2.285   | -                                  | 0.398                                 | 1.887  | -                    | -                        | -                         | -                     | 2.285                           |
| Customers & Communities - FM Asset Management & Maintenance           | 2.433   | 0.608   | -   | -   | -   | 3.041   | -                                  | 3.041                                 | -  | -                    | -                        | -                         | -                     | 3.041                           |
| Customers & Communities - Public Toilets                              | 0.139   | 0.044   | -   | -   | -   | 0.183   | -                                  | 0.158                                 | -  | -                    | -                        | -                         | 0.025                 | 0.183                           |
| Customers & Communities - Accommodation Strategy                      | 0.202   | -   | -   | -   | -   | 0.202   | -                                  | 0.034                                 | 0.168  | -                    | -                        | -                         | -                     | 0.202                           |
| <b>TOTAL CUSTOMERS AND COMMUNITIES</b>                                | <b>5.168</b>                                  | <b>2.442</b>                                  | <b>0.100</b>                                  | <b>0.101</b>                                  | <b>-</b>                                      | <b>7.811</b>                                  | <b>-</b>                           | <b>5.731</b>                          | <b>2.055</b>   | <b>-</b>             | <b>-</b>                 | <b>-</b>                  | <b>0.025</b>          | <b>7.811</b>                    |

| <b>CAPITAL PROGRAMME (DECEMBER 2025)</b>                             | <b>2025-26<br/>Latest<br/>Forecast<br/>£m</b> | <b>2026-27<br/>Latest<br/>Forecast<br/>£m</b> | <b>2027-28<br/>Latest<br/>Forecast<br/>£m</b> | <b>2028-29<br/>Latest<br/>Forecast<br/>£m</b> | <b>2029-30<br/>Latest<br/>Forecast<br/>£m</b> | <b>TOTAL<br/>PROGRAMME<br/>2025-30<br/>£m</b> | <b>Capital<br/>Receipts<br/>£m</b> | <b>Corporate<br/>Borrowing<br/>£m</b> | <b>Service &amp;<br/>External<br/>Borrowing<br/>£m</b> | <b>Grants<br/>£m</b> | <b>Contribns.<br/>£m</b> | <b>S106 / CIL<br/>£m</b> | <b>Revenue<br/>£m</b> | <b>Total<br/>Funding<br/>£m</b> |
|--|---|---|---|---|---|---|------------------------------------|---------------------------------------|--|----------------------|--------------------------|--------------------------|-----------------------|---------------------------------|
| Growth (Climate Emergency) - CM Solar Farm                           | 0.050   | 12.085  | -   | -   | -   | 12.135  | -                                  | -                                     | 12.095   | -                    | -                        | -                        | 0.040                 | 12.135                          |
| Growth (Climate Emergency) - District Heating scheme                 | 0.085   | 1.041   | 0.400   | 0.275   | 0.275   | 2.076   | -                                  | -                                     | -  | 1.574                | -                        | 0.502                    | -                     | 2.076                           |
| Growth (Climate Emergency) - Electric Charging Infrastructure (LEVI) | 0.168   | -   | -   | -   | -   | 0.168   | -                                  | 0.168                                 | -  | -                    | -                        | -                        | -                     | 0.168                           |
| Growth (Climate Emergency) - PCC Estate Decarbonisation              | 0.544   | 1.869   | 0.415   | -   | -   | 2.828   | -                                  | 0.286                                 | 0.005  | 2.537                | -                        | -                        | -                     | 2.828                           |
| Growth (Climate Emergency) - Home Energy / Warm Homes                | 0.482   | 1.123   | 3.977   | -   | -   | 5.582   | -                                  | -                                     | -  | 5.582                | -                        | -                        | -                     | 5.582                           |
| <b>TOTAL GROWTH (CLIMATE EMERGENCY)</b>                              | <b>1.329</b>                                  | <b>16.118</b>                                 | <b>4.792</b>                                  | <b>0.275</b>                                  | <b>0.275</b>                                  | <b>22.789</b>                                 | <b>-</b>                           | <b>0.454</b>                          | <b>12.100</b>  | <b>9.693</b>         | <b>-</b>                 | <b>0.502</b>             | <b>0.040</b>          | <b>22.789</b>                   |
| Growth (Transport) - Woolwell to the George                          | 9.346   | 12.468  | 5.111   | -   | -   | 26.925  | -                                  | 10.622                                | -  | 9.346                | -                        | 6.957                    | -                     | 26.925                          |
| Growth (Transport) - Manadon   | 4.023   | 12.932  | -   | -   | -   | 16.955  | -                                  | 2.059                                 | -  | 14.896               | -                        | -                        | -                     | 16.955                          |
| Growth (Transport) - Charlton Road                                   | 0.692   | 1.171   | -   | -   | -   | 1.863   | -                                  | 1.687                                 | -  | 0.176                | -                        | -                        | -                     | 1.863                           |
| Growth (Transport) - Other Strategic Transport schemes               | 1.941   | 7.144   | -   | -   | -   | 9.085   | -                                  | 2.019                                 | -  | 6.224                | -                        | 0.842                    | -                     | 9.085                           |
| Growth (Transport) - Bus grants (ZEBRA & other)                      | 10.747  | 2.469   | -   | -   | -   | 13.216  | -                                  | -                                     | -  | 11.560               | 1.181                    | 0.375                    | 0.100                 | 13.216                          |
| Growth (Transport) - Eastern Corridor Cycle network                  | 1.218   | 2.021   | 0.511   | -   | -   | 3.750   | -                                  | -                                     | -  | 2.082                | -                        | 1.668                    | -                     | 3.750                           |
| Growth (Transport) - Other active travel schemes                     | 0.577   | 0.634   | -   | -   | -   | 1.211   | 0.010                              | 0.004                                 | -  | 1.177                | 0.015                    | 0.005                    | -                     | 1.211                           |
| <b>TOTAL GROWTH (TRANSPORT)</b>                                      | <b>28.544</b>                                 | <b>38.839</b>                                 | <b>5.622</b>                                  | <b>-</b>                                      | <b>-</b>                                      | <b>73.005</b>                                 | <b>0.010</b>                       | <b>16.391</b>                         | <b>-</b>   | <b>45.461</b>        | <b>1.196</b>             | <b>9.847</b>             | <b>0.100</b>          | <b>73.005</b>                   |
| Growth (Other infrastructure) - Armada Way                           | 18.255  | 1.167   | -   | -   | -   | 19.422  | 7.888                              | 11.534                                | -  | -                    | -                        | -                        | -                     | 19.422                          |
| Growth (Other infrastructure) - Royal Parade                         | 5.515   | 0.404   | -   | -   | -   | 5.919   | -                                  | 4.399                                 | -  | 1.500                | -                        | 0.020                    | -                     | 5.919                           |
| Growth (Other infrastructure) - Other Public Realm / Better Places   | 0.227   | -   | -   | -   | -   | 0.227   | -                                  | 0.227                                 | -  | -                    | -                        | -                        | -                     | 0.227                           |
| Growth (Other infrastructure) - Flood Risk Management                | 3.840   | -   | -   | -   | -   | 3.840   | -                                  | -                                     | -  | 3.840                | -                        | -                        | -                     | 3.840                           |
| Growth (Other infrastructure) - Plan for Homes                       | 4.652   | 3.111   | 1.113   | 1.658   | -   | 10.534  | 8.239                              | 0.020                                 | -  | 1.628                | 0.006                    | 0.641                    | -                     | 10.534                          |
| <b>TOTAL GROWTH (Other infrastructure)</b>                           | <b>32.489</b>                                 | <b>4.682</b>                                  | <b>1.113</b>                                  | <b>1.658</b>                                  | <b>-</b>                                      | <b>39.942</b>                                 | <b>16.127</b>                      | <b>16.180</b>                         | <b>-</b>   | <b>6.968</b>         | <b>0.006</b>             | <b>0.661</b>             | <b>-</b>              | <b>39.942</b>                   |
| <b>TOTAL GROWTH (Strategic Planning and Infrastructure)</b>          | <b>62.362</b>                                 | <b>59.639</b>                                 | <b>11.527</b>                                 | <b>1.933</b>                                  | <b>0.275</b>                                  | <b>135.736</b>                                | <b>16.137</b>                      | <b>33.025</b>                         | <b>12.100</b>  | <b>62.122</b>        | <b>1.202</b>             | <b>11.010</b>            | <b>0.140</b>          | <b>135.736</b>                  |



| <b>CAPITAL PROGRAMME (DECEMBER 2025)</b>                              | <b>2025-26<br/>Latest<br/>Forecast<br/>£m</b> | <b>2026-27<br/>Latest<br/>Forecast<br/>£m</b> | <b>2027-28<br/>Latest<br/>Forecast<br/>£m</b> | <b>2028-29<br/>Latest<br/>Forecast<br/>£m</b> | <b>2029-30<br/>Latest<br/>Forecast<br/>£m</b> | <b>TOTAL<br/>PROGRAMME<br/>2025-30<br/>£m</b> | <b>Capital<br/>Receipts<br/>£m</b> | <b>Corporate<br/>Borrowing<br/>£m</b> | <b>Service &amp;<br/>External<br/>Borrowing<br/>£m</b> | <b>Grants<br/>£m</b> | <b>Contribns.<br/>£m</b> | <b>S106 / CIL<br/>£m</b> | <b>Revenue<br/>£m</b> | <b>Total<br/>Funding<br/>£m</b> |
|---|---|---|---|---|---|---|------------------------------------|---------------------------------------|--|----------------------|--------------------------|--------------------------|-----------------------|---------------------------------|
| Growth (Economic Dev.) - Freeport programme                           | 14.268  | 4.304   | 4.012   | -   | -   | 22.584  | -                                  | -                                     | 4.013  | 18.571               | -                        | -                        | -                     | 22.584                          |
| Growth (Economic Dev.) - Civic Centre                                 | 5.575   | 9.357   | 23.525  | 7.904   | -   | 46.361  | -                                  | 16.757                                | 2.971  | 26.633               | -                        | -                        | -                     | 46.361                          |
| Growth (Economic Dev.) - Guildhall                                    | 3.724   | -   | -   | -   | -   | 3.724   | -                                  | 1.309                                 | 0.193  | 2.222                | -                        | -                        | -                     | 3.724                           |
| Growth (Economic Dev.) - West End redevelopment                       | 0.876   | 2.519   | -   | -   | -   | 3.395   | -                                  | 0.486                                 | 2.492  | 0.417                | -                        | -                        | -                     | 3.395                           |
| Growth (Economic Dev.) - Railway Station redevelopment                | 0.064   | 0.018   | 0.156   | 0.095   | 0.258   | 0.591   | 0.568                              | -                                     | -  | -                    | 0.023                    | -                        | -                     | 0.591                           |
| Growth (Economic Dev.) - PRF Embankment Road                          | 0.030   | 6.931   | 6.961   | -   | -   | 13.922  | -                                  | -                                     | 13.922   | -                    | -                        | -                        | -                     | 13.922                          |
| Growth (Economic Dev.) - other PRF schemes                            | 3.628   | 2.854   | -   | -   | -   | 6.482   | -                                  | -                                     | 5.301  | 1.181                | -                        | -                        | -                     | 6.482                           |
| Growth (Economic Dev.) - National Marine Park                         | 7.982   | 4.218   | 0.248   | 0.153   | -   | 12.601  | -                                  | 4.168                                 | -  | 7.933                | 0.500                    | -                        | -                     | 12.601                          |
| Growth (Economic Dev.) - other regeneration schemes                   | 1.289   | 2.173   | -   | -   | -   | 3.462   | -                                  | 2.467                                 | 0.015  | 0.980                | -                        | -                        | -                     | 3.462                           |
| Growth (Economic Dev.) - Investment Fund & UKSPF                      | 0.446   | 0.029   | 0.018   | 0.008   | 0.008   | 0.509   | 0.290                              | -                                     | -  | 0.219                | -                        | -                        | -                     | 0.509                           |
| Growth (Economic Dev.) - Mount Edgcombe                               | 0.185   | -   | -   | -   | -   | 0.185   | 0.166                              | -                                     | -  | 0.014                | 0.005                    | -                        | -                     | 0.185                           |
| <b>TOTAL GROWTH (ECONOMIC DEV.)</b>                                   | <b>38.067</b>                                 | <b>32.403</b>                                 | <b>34.920</b>                                 | <b>8.160</b>                                  | <b>0.266</b>                                  | <b>113.816</b>                                | <b>1.024</b>                       | <b>25.187</b>                         | <b>28.907</b>  | <b>58.170</b>        | <b>0.528</b>             | <b>-</b>                 | <b>-</b>              | <b>113.816</b>                  |
| Growth (Highways) - Highways Structural Maintenance                   | 0.548   | 0.500   | -   | -   | -   | 1.048   | -                                  | 1.048                                 | -  | -                    | -                        | -                        | -                     | 1.048                           |
| Growth (Highways) - Highways Carraigeway & Footway Maintenance        | 6.480   | -   | -   | -   | -   | 6.480   | -                                  | 1.972                                 | -  | 4.493                | 0.015                    | -                        | -                     | 6.480                           |
| Growth (Highways) - Signals, Lighting & Other Highways Maintenance    | 3.991   | 2.000   | -   | -   | -   | 5.991   | -                                  | 4.551                                 | 0.630  | 0.558                | 0.115                    | 0.137                    | -                     | 5.991                           |
| Growth (Highways) - Safety & Other Minor Highways schemes             | 0.550   | 0.581   | -   | -   | -   | 1.131   | -                                  | 0.816                                 | -  | 0.271                | -                        | 0.044                    | -                     | 1.131                           |
| Growth (Highways) - Living Streets                                    | 0.164   | 0.139   | -   | -   | -   | 0.303   | -                                  | 0.303                                 | -  | -                    | -                        | -                        | -                     | 0.303                           |
| Growth (Highways) - Highway CCTV                                      | 0.077   | -   | -   | -   | -   | 0.077   | -                                  | 0.061                                 | -  | 0.016                | -                        | -                        | -                     | 0.077                           |
| Growth (Highways) - Parking   | 0.272   | -   | -   | -   | -   | 0.272   | -                                  | -                                     | 0.264  | -                    | -                        | 0.008                    | -                     | 0.272                           |
| <b>TOTAL GROWTH (HIGHWAYS)</b>  | <b>12.082</b>                                 | <b>3.220</b>                                  | <b>-</b>                                      | <b>-</b>                                      | <b>-</b>                                      | <b>15.302</b>                                 | <b>-</b>                           | <b>8.751</b>                          | <b>0.894</b>   | <b>5.338</b>         | <b>0.130</b>             | <b>0.189</b>             | <b>-</b>              | <b>15.302</b>                   |
| Growth (Waste & Environment) - Food Waste                             | 2.211   | 0.077   | 0.008   | -   | -   | 2.296   | -                                  | -                                     | 0.354  | 1.942                | -                        | -                        | -                     | 2.296                           |
| Growth (Waste & Environment) - Vehicle, Container & Plant replacement | 2.753   | 3.673   | 0.190   | 0.190   | 0.227   | 7.033   | 0.033                              | 0.381                                 | 6.565  | -                    | -                        | -                        | 0.054                 | 7.033                           |
| Growth (Waste & Environment) - Chelson Meadow maintenance / upgrade   | 0.245   | -   | -   | -   | -   | 0.245   | -                                  | 0.245                                 | -  | -                    | -                        | -                        | -                     | 0.245                           |
| Growth (Waste & Environment) - Plymouth & South Devon Comm. Forest    | 1.309   | -   | -   | -   | -   | 1.309   | -                                  | -                                     | -  | 1.290                | 0.019                    | -                        | -                     | 1.309                           |
| Growth (Waste & Environment) - Ocean City Biodiversity Loan           | 0.150   | 0.350   | -   | -   | -   | 0.500   | -                                  | 0.500                                 | -  | -                    | -                        | -                        | -                     | 0.500                           |
| Growth (Waste & Environment) - Other Nature & Trees (incl. VIMS)      | 0.521   | 0.222   | 0.024   | 0.022   | 0.020   | 0.809   | -                                  | 0.065                                 | 0.022  | 0.493                | -                        | 0.229                    | -                     | 0.809                           |
| Growth (Waste & Environment) - Derriford Park Improvements            | 0.407   | 0.419   | -   | -   | -   | 0.826   | -                                  | -                                     | -  | 0.382                | -                        | 0.444                    | -                     | 0.826                           |
| Growth (Waste & Environment) - Central Park Improvements              | 0.521   | -   | -   | -   | -   | 0.521   | -                                  | 0.389                                 | -  | 0.027                | -                        | 0.159                    | -                     | 0.521                           |
| Growth (Waste & Environment) - other Parks, Pitches & Play Equipment  | 0.096   | 0.590   | -   | -   | -   | 0.686   | 0.268                              | 0.020                                 | -  | 0.150                | 0.007                    | 0.241                    | -                     | 0.686                           |
| <b>TOTAL GROWTH (WASTE &amp; ENVIRONMENT)</b>                         | <b>8.213</b>                                  | <b>5.331</b>                                  | <b>0.222</b>                                  | <b>0.212</b>                                  | <b>0.247</b>                                  | <b>14.225</b>                                 | <b>0.301</b>                       | <b>1.600</b>                          | <b>6.941</b>   | <b>4.230</b>         | <b>0.026</b>             | <b>1.073</b>             | <b>0.054</b>          | <b>14.225</b>                   |
| <b>TOTAL GROWTH (STREET SERVICES)</b>                                 | <b>20.295</b>                                 | <b>8.551</b>                                  | <b>0.222</b>                                  | <b>0.212</b>                                  | <b>0.247</b>                                  | <b>29.527</b>                                 | <b>0.301</b>                       | <b>10.351</b>                         | <b>7.835</b>   | <b>9.568</b>         | <b>0.156</b>             | <b>1.262</b>             | <b>0.054</b>          | <b>29.527</b>                   |