PETERBOROUGH CITY COUNCIL

CAPITAL AND INVESTMENT STRATEGY 2022 – 2027

1. INTRODUCTION

The CIPFA Prudential Code 2017 requires the Council to prepare a Capital Strategy to ensure all capital expenditure and investment decisions take account of stewardship, value for money, prudence, sustainability and affordability,

This Capital Strategy outlines how Peterborough City Council (PCC) manages its assets and investment resources to help achieve the strategic priorities of the Council, in compliance with the Prudential Code. This Strategy covers the next five years and beyond, and it is reviewed on an annual basis to reflect the changing needs and priorities.

The Capital Strategy underpins the Council's Corporate Priorities and provides a high-level overview of how capital expenditure, capital financing and treasury management activity contributes to the provision of services along with an overview of how associated risk is managed and the implications for future financial stability. The Strategy is an integral part of the Medium-Term Financial Strategy (MTFS) and intrinsically linked with the Asset Management Strategy (AMS), the Asset Management Plan (AMP) and the Treasury Management Strategy Statement (TMSS).

2. OBJECTIVES

The Capital Strategy is intrinsically linked to the Asset Management Strategy (AMS). The AMS is based on asset rationalisation and disposal of assets where there is no commercial, community or strategic case for retaining the property. In line with the MTFS, the utilisation of assets forms part of the root and branch review of everything we do and how we do it. The changes to operating practices as a result of the pandemic have demonstrated the possibilities of reducing the use of physical assets while still providing services to residents, clients and customers. It is expected that decisions taken on changes to service delivery will make a number of operational assets redundant.

Receipts from asset disposals will be utilised to meet current commitments, providing additional cash to mitigate budget pressures of servicing past debts (in line with the key Financial Health Indicators referenced in the MTFS section), and if required, to provide an alternative funding source for a transformational programme that delivers savings over the period of the MTFS (subject to Government approval). Any disposals must comply with the AMS, and we will not make short-term decisions that could harm future values. The sites which are recommended for sale will be disposed of in accordance with Best Value principles, to ensure the greatest value within the agreed timescales.

To achieve the right approach to asset disposals we will:

- Complete a review of our Asset Management Strategy and Plan
- Bring in a subject matter expert to see how we can add value to the existing estate

A review of assets will be undertaken to create a consolidated picture of all assets across the Council. The Council holds a significant number of assets either on its own or though partners and a new and ambitious strategy is needed to drive inclusive growth and financial sustainability.

We will set up effective project management systems to manage all asset disposal activities in accordance with the timescales of the AMS, this Capital Strategy and the MTFS, reporting in accordance with the approved governance framework. The list of assets recognised for disposals will be subject to continuous review.

The Capital Strategy is based around the following rules:

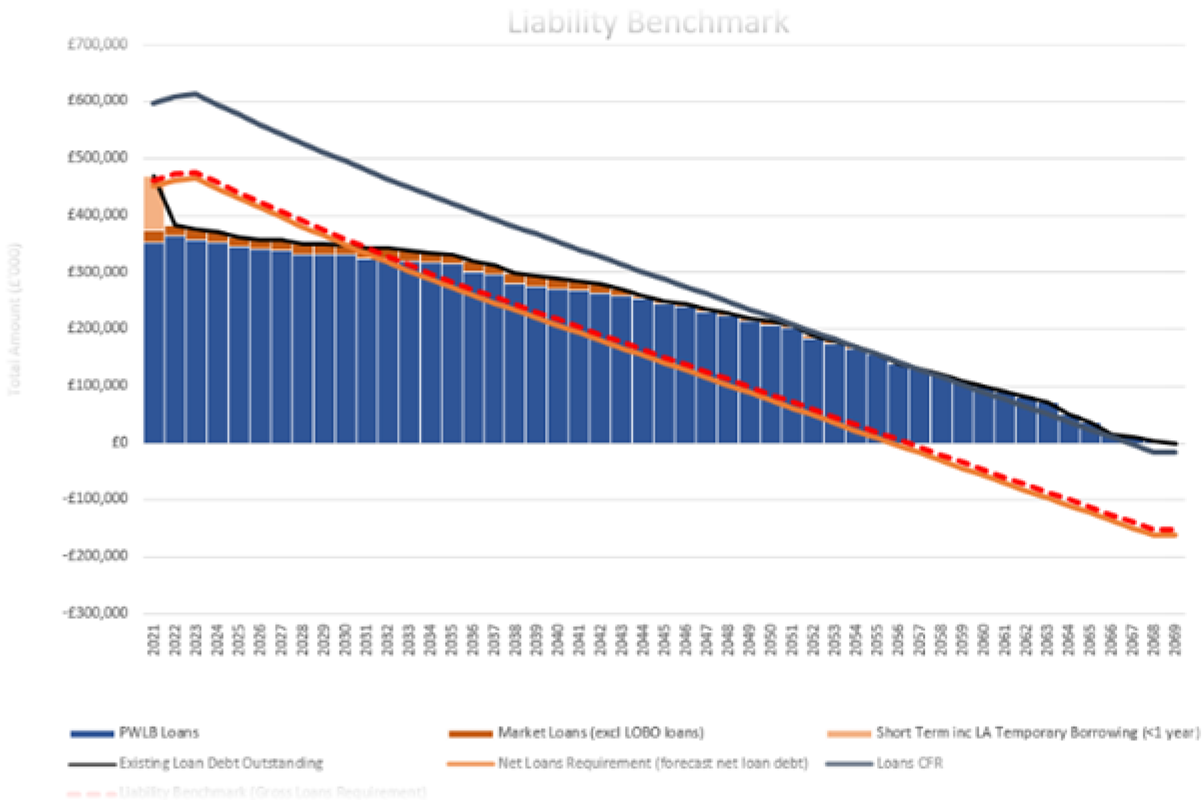
- No new borrowing unless failure to do so would result in a breach of our Health & Safety/Statutory duties
- All borrowing for projects that will result in future savings should have a payback period of five years or less
- Fully Grant Funded with no revenue cost impact.
- Medium Term Financial Plan Savings – Projects which underpin the delivery of revenue savings in the MTFP.
- A two-stage approval process: approval to plan (which allows a project to be included in the Capital Programme) and approval to spend (required before a contract is entered into that commits the Council to expenditure)
- A prioritisation process based on need and financial benefit.
- A review of current governance and controls, with stricter arrangement and greater oversight and ownership of all capital priorities and expenditure at a senior level and with appropriate member involvement.

3. Current Position

Peterborough Council has a high level of debt. The borrowing costs associated with that debt represent 16% of the 2021/22 revenue budget. This must and will be reduced over the medium term. The 2020/21 Statement of Accounts shows the Capital Financing Requirement at £598m. Total realisable assets held by the Council are shown at £368m. There are historic reasons for this position, such as investment in assets no longer on our balance sheet (academy schools) and investments in non-realisable assets (e.g. roads). This is not unusual, but it does mean that maximising our assets through service provision or disposals, is critical

The level of debt, the cost of debt repayment, and the negative equity shown in the balance sheet are a big concern, and the key objectives for asset disposals will be in part to repay debt. Whilst any debt repayment from receipts will reduce the future debt repayment costs, it is unlikely to improve the negative equity situation.

PCC's debt position is shown in the Liability Benchmark Graph below. The graph illustrates PCC's Capital Financing Requirement (CFR – underlying borrowing need) compared to actual borrowing over the next 50 years. The graph is updated annually to reflect changes.



4. Governance

The nature of capital schemes means that they are often, complex, high risk, high profile and are delivered over a multi-year period. It is therefore important that the Council adopts and maintains a consistent and robust approach to the development, prioritisation and delivery of capital schemes.

The Council has established a Capital Review Group (CRG), which oversees the Capital Programme and property related decisions and recommends new projects to the Corporate Management Team (CMT). The remit of the CRG will be reviewed, with a view to introduce stricter controls with greater oversight and ownership by senior management and members. A two-tier governance structure proposed, where the Strategic Capital Group (SCG) will review, challenge and ultimately prioritise capital projects, ensuring alignment to the Council's overall corporate priorities within the overall resources that are available.

At the initial stage, services will complete an outline business case which demonstrates high level proposals with indicative financial requirements, the anticipated financial and non-financial returns and how the proposal would contribute to the Council's priorities and Corporate Strategy as set out in the Improvement Plan. The SCG, will rank each outline business case based on the initial assessment against the scoring criteria described in Table 1 and the Council's vision as show below:

Table 1:

No	Criteria	Score 1-10	Weighting	Commentary
1	Does the proposal deliver efficiency (financial and non-financial) and / or clear return on investment?		30%	
2	Will the proposal lever in other funding sources and investment? E.g. voluntary sector, private sector		30%	
3	What are the measurable outputs / outcomes?		20%	
4	Is there a clear and robust evidence base for doing the scheme?		20%	

Those proposed schemes and projects that meet the threshold for further work will be referred to the Operational Capital Group (OCG) for the preparation of a detailed business case.

All outline and detailed business cases will be prepared in line with the principles of the Treasury Green Book. This guidance advises on how to appraise policies, programmes and projects and provides guidance on the design and use of monitoring and evaluation before, during and after implementation.

The Council's vision is:

"To create together a Peterborough residents are proud to live, work and grow up in and where services deliver what local people need and give value for money"

This strategy signals a strong commitment to:

- **Our communities** - seeking engagement and contribution, ensuring everyone can play a part in improving their own lives and the lives of others living in Peterborough; and
- **Our environment** - which is central to how we think and act. Reversing the trend of increasing consumption and delivering on our commitments to becoming a truly sustainable city.

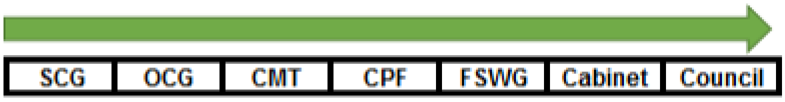
Our priorities and priority outcomes are:

- Pride in our communities, our places and our environment.
- First rate futures for our children & young people, quality support for our adults and elderly
- Better jobs, good homes and improved opportunities for all

The specific objectives of this strategy are to ensure:

- Physical assets and related resources support the Council's priorities.
- Issues related to property and other assets are fully reflected in the Council's planning process
- Asset management plans are regularly reviewed to identify surplus assets for disposal, to generate capital receipts to fund current priorities
- The potential for joint working and match funding with partners and stakeholders is maximised

The SCG undertakes a full assessment of the business case and scores each one against the Council's vision and the criteria shown in Table 1 above. Progress is reported throughout the governance framework as show below:



In accordance with the Prudential Code, the whole-life considerations on new investment are considered at the outset. In-year progress against the Capital Programme is reported monthly to CMT and quarterly to members, including adjustments, variances and slippage.

5. FUNDING APPROACH

PCC complies with the CIPFA Prudential Code, and the Capital Programme may be funded from a range of sources. All Prudential borrowing must be Prudent, Affordable and Sustainable, and there must be sufficient headroom in the Revenue Budget to fund principal repayment if required, interest and Minimum Revenue Provision (MRP). Due to the existing pressures on the Council's revenue budget, additional borrowing is currently not prudent, affordable or sustainable, it is therefore essential that all new borrowing is funded from Capital Grants, Capital Receipts, S106 / CIL and external / partnership funding, except where there is a strong business case to do so, e.g. significant revenue savings or future revenue streams.

Invest to Save projects will be considered based on a sound business case in accordance with the following principles:

- Schemes should deliver savings that improve the financial position of the Council as presented in the MTFS, or maintain the MTFS position but contribute towards the delivery of service improvements or achieve Council priorities.
- Payback will commence in the same year as the project starts, if this is not the case additional analysis including a full net present value analysis and an outline of how the finance will be covered across financial years if the schemes are not cost neutral within each financial year.
- All proposals will be subject to the Council's decision making requirements as set out in the financial regulations.

Table 2

	2022/23	**2023/24**	**2024/25**
	£m	**£m**	**£m**
Capital Receipts from Asset Disposals	-	0.2	0.2
Capital Receipts from Loan Repayments	15.0	-	-
Grants &Third Party Contribution	79.0	21.9	24.2
Leasing (IFRS16)	22.0	-	-
Invest to Save / future income streams	3.2	-	-
Prudential Borrowing	-	-	-

Prudential indicators

Ensuring Borrowing is only for Capital purposes

The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). In order to ensure that over the medium-term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years. This is a key indicator of prudence.

		2021/22 Est. £m	2022/23 Est. £m	2023/24 Est. £m	2024/25 Est. £m
CFR		**609.0**	**613.1**	**595.2**	**577.8**
Debt					
	Borrowing	479.8	461.8	444.9	428.2
	PFI Liabilities	48.0	69.2	67.5	65.8
Total Debt		**527.8**	**531.0**	**512.4**	**494.0**

Total debt is expected to remain below the CFR during the forecast period.

<u>Affordable Borrowing Limits</u>

The Authorised Limit for external borrowing – this represents a limit beyond which external borrowing is prohibited. This limit is set and revised by full Council.

		2021/22 Est. £m	2022/23 Est. £m	2023/24 Est. £m	2024/25 Est. £m
Authorised Limit					
	Borrowing	687.0	732.3	750.6	711.1
	PFI Liabilities	48.0	69.2	67.5	65.8
Authorised Limit		**735.0**	**801.4**	**818.1**	**776.9**

The Operational Boundary – external borrowing is not normally expected to exceed this limit. If the operational boundary was exceeded this would be reported immediately to the members of the Audit Committee with a full report taken to the next committee meeting. In the current year it has not been exceeded.

		2021/22 Est. £m	2022/23 Est. £m	2023/24 Est. £m	2024/25 Est. £m
Operational Boundary					
	Borrowing	619.0	633.1	643.1	635.2
	PFI Liabilities	48.0	69.2	67.5	65.8
Operational Boundary		**667.0**	**702.3**	**710.6**	**701.1**

6. Minimum Revenue Provision (MRP) for Debt Repayment

Where capital expenditure is financed by debt, statutory guidance requires it to put aside revenue resources to repay that debt in later years, known as MRP. Statutory guidance requires the Council to approve an Annual MRP Statement each year, and whilst it provides a range of options for the calculation of MRP, the guidance also notes that other options are permissible if they are fully consistent with the statutory duty to make prudent revenue provision.

Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g., buildings, vehicles, equipment, etc. Such expenditure is spread over several years in order to try to match the years over which such assets benefit the local community through their useful life. DLUHC Regulations require full Council to approve an MRP statement in advance of each year.

Councils are allowed by statute to use capital receipts for the repayment of any borrowing previously incurred. The application of capital receipts to repay debt would reduce the level of MRP chargeable to revenue, but statutory guidance does not address how such a reduction should be calculated. When the Council uses its capital receipts to redeem borrowing, the value of the MRP which would otherwise have been set aside for that year will be reduced by the amounts which have instead been repaid from capital receipts. This results in a prudent level of MRP, as there will be no reduction in the overall level of funding set aside to redeem debt.

During 2019/20 detailed discussions were held with DLUHC with regards to PCC's application of capital receipts to redeem debt. On 30 November 2021 DLUHC released a consultation on changes to the Capital Framework – Minimum Revenue Provision. The paper primarily covers the concerns that the government has in respect of compliance with the duty to make a prudent revenue provision, which in their view, results in an underpayment of MRP. The consultation document states that there is no intention to change the statutory MRP guidance, but to clearly set out in legislation the practices that authorities should already be following. The proposed change to the regulation is set out below:

1. Capital receipts may not be used in place of the revenue charge. The intent is to prevent authorities avoiding, in whole or part, a prudent charge to revenue. It is not the intention to prevent authorities using capital receipts to reduce their overall debt position, which may have the effect of reducing the MRP made with respect to the remaining debt balance.

2. Prudent MRP must be determined with respect to the authority's total capital financing requirement. The intent is to stop the intentional exclusion of debt from the MRP determination because it relates to an investment asset or capital loan. Authorities should still be able to charge MRP over the period in which their capital expenditure provides benefits and begin charging MRP in the year following capital expenditure, in accordance with proper accounting practices set out in the government's statutory guidance on Minimum Revenue Provision.

The proposal is that the changes will first come into force for the financial year beginning 1 April 2023. Therefore, PCC has amended its approach from the 2023/24 financial year where capital receipts received will be used to either fund capital expenditure or fund the revenue costs of transformation projects under the Capital Receipts Flexibility programme. Repayments for the PFI scheme and finance leases are applied as MRP.

7. THIRD PARTY CONTRIBUTIONS / COMMUNITY INFRASTRUCTURE LEVY (CIL)

Developers are required to contribute towards infrastructure, either through direct provision of community assets or via a financial contribution to the Council (CIL). Legislation requires the Council to hand over a "neighbourhood proportion" to Parish Councils if there is a Neighbourhood Development Plan in place, less an admin fee. The Council has provisionally agreed that the remaining CIL receipts are to be split via the thematic areas outlined below (though it is important to note that such thematic areas will receive other funding via other sources in addition to the CIL).

Neighbourhood Proportion

	Proportion of CIL to be allocated where development has taken place
Administration	5%
Parishes / neighbourhoods without a neighbourhood plan	15% - capped at £100 per Council tax dwelling
Parishes / neighbourhoods with an adopted neighbourhood plan	25% - uncapped

Remaining CIL receipts - Proposed funding split by infrastructure theme

Transport and Communications	30%
Education and Learning	40%
Community and Leisure	10%
Health & Adult Social Care and Emergency services	10%
Environment	10%

8. WORKING WITH PARTNERS AND STAKEHOLDERS

The Council works closely with a range of community groups, housing associations and Registered Social Landlords, businesses, other local authorities, the NHS and government agencies in order to make best use of all combined resources and to deliver cross cutting outcomes. These include:

Climate Change – in July 2019, full 2030 and ensuring that all strategic decisions, budgets and approaches to planning decisions are in line with a shift to zero carbon. Council agreed to make the Council's activities net-zero carbon by 2030 and to support the city to achieve the same. This commits the Council to achieving 100 per cent clean energy across its buildings and services by 2030 and ensuring that all strategic decisions, budgets and approaches to planning decisions are in line with a shift to zero carbon. In addition to this Peterborough has been selected as a pilot area to develop a Local Area Energy Plan. This work is funded by Innovate UK and will be delivered by Catapult Energy Systems working closely with Council officers and colleagues at key partner organisations. As part of the property review process, the cost of achieving climate targets will be considered in decisions to retain or dispose of property assets

The Local Plan – To facilitate and coordinate growth, the City Council has a fully adopted Local Plan which sets out the Council's long-term vision and objectives for the city and surrounding villages, setting out the policies and proposals for growth and regeneration until 2036.

Housing – Peterborough remains one of the fastest growing cities in the UK. The Local Plan makes provision for 19,440 new homes in the period 2016 to 2036. During the first 5 years (2016 to 2021) the annual requirement is for 942 dwellings per year, increasing to 982 per year between 2021 and 2036. The greater proportion of new dwelling provision is planned within urban extensions.

The Council transferred the housing stock to Cross Keys Homes (CKH) in October 2004 under Large Scale Voluntary Transfer. Full Council subsequently agreed to the creation of a housing Joint Venture - Medesham Homes LLP. All activity involving Council land or Council funding is subject to business case and market valuations of land and property.

A Housing Strategy is being developed by the Council and once adopted, the Council's Capital Strategy will recognise its strategic aims.

Schools - The Council is responsible for ensuring there are sufficient early years, childcare and school places within its area to meet the needs of the population. There has been increased growth in the number of children living in Peterborough in recent years, mainly due to population growth identified above and that Peterborough has one of the highest birth rates in the country. The Council is also responsible for providing transport where children must access schools some distance from their home.

SEND – Places for children and young people with Special Educational Needs and Disabilities (SEND)

The Government has committed £215m to help local authorities create new school places and improve existing facilities for children and young people with SEND. This funding can be invested in mainstream schools and academies, special units, special schools, early years settings and further education colleges, or to make other provision for children and young people.

We have established a network of hubs to grow resilience and expertise in Peterborough mainstream schools. Every hub has an area of SEN specialism, and their principal duty is to provide a center of expertise that can be accessed by all schools in Peterborough to provide training, advice and modelling of best SEN practice. Some hubs have specialist places for children with EHCPs but the majority do not.

Transport – The directly elected Mayor and the Cambridgeshire and Peterborough Combined Authority hold strategic transport powers and are the Local Transport Authority for the Cambridgeshire and Peterborough area. They are responsible for allocating local transport funding to the most important transport needs to help improve traffic flow, reduce congestion, improve road safety, increase walking and cycling and improve accessibility amongst other things. The Combined Authority sets the overall transport strategy for Cambridgeshire and Peterborough, called the Local Transport Plan.

Peterborough Highway Services
Peterborough Highway Services (PHS) is a partnership between the Council and Milestone Infrastructure Ltd (previously known as Skanska) that commenced in October 2013. PHS is responsible for: improving and maintaining Peterborough's highway network including roads, drainage, street lighting and bridges; seeking funding to develop major capital schemes, building new infrastructure or improving the existing network; supporting development and ensure highway is constructed to the necessary standards; and behavioural change initiatives to increase the use of sustainable travel - all of which help to ensure that our statutory duties are met and that the city is able to meet its growth objectives.
PHS operates through a lean client structure and a strong collaborative relationship with Milestone. The PHS budget has reduced significantly over recent years, whilst the asset has continued to grow, resulting in the service operating significantly below the national average (£66.54 GBP per person against an average of £107.06). Next year the PHS capital programme is approximately 75% funded through external funding. Annually the budget is usually made up of the following two sources of funding:

- Funding received from the CPCA to develop, design and construct specific improvement schemes. Examples include the recently completed works at the A605 Pondersbridge.
- Highway Maintenance funding from the Department for Transport (DfT) calculated using a needs-based formula. This is based on several factors including; total road length by classification and condition; the number of bridge structures and whether they require significant maintenance or strengthening; and the number of street lighting columns over 40 years old. This funding is available for supporting highway enhancements; road safety statistics; public transport patronage; traffic congestion; accessibility; and tackling pollution.

The Council uses corporate borrowing to fund the remaining 25% of the programme. This typically includes:

- Funding to support the Highway Maintenance funding of approximately £805k per year.
- Funding to support specific schemes on the network that are required to keep the highway safe. Current examples include the work to the Nene Bridge Bearings and replacing the safety barriers across the parkway network.
- Capital funding to support changes in approach in conjunction with revenue budget reductions.

The proposed capital budget from 22/23 includes reductions totalling approximately 21% from the corporate element of the PHS capital programme increasing to 50% by 24/25. This includes:

- Reprofiling the scheduled works to replace safety barriers. This proposal will still allow the required work to be completed but it will be undertaken over a longer period of time. The budget profile suggested here will mean that the safety barriers on lower speed roads will be replaced gradually, on a needs basis, over a number of years.
- Reducing the annual parkway maintenance budget by 50%. This will reduce the volume of proactive work that we are able to undertake and carries a risk that if failures were to occur in year, capacity funding may be required.
- Delay work to review the Strategic Network which involves updating the way in which strategic routes in the city are named/numbered and signed. Whilst a project has now been developed it is feasible to undertake the implementation of this work in future years.
- Cease allocating corporate funding to support the Highway Maintenance annual programme of work for the next three years. At the time of writing this paper the DfT have not confirmed the annual allocation it will be awarding to Peterborough and therefore it is not possible to fully detail the impact this reduction will have. However, officers will prioritise work to focus on statutory duties including safety which is likely to mean that less essential non-statutory work will not be undertaken. Examples may include: installing EV charging facilities, grants to businesses to support active travel, bus stop improvements and dropped kerbs; the annual highway treatment programme may be reduced which could lead to more extensive costs in future years; less proactive work to the Council's structures to prepare future work packages; and a reduction in the volume of street lighting cables that can be replaced each year increasing the risk of failure in some areas of the city.

City Centre – The Local Plan is a key driver in helping the city centre become more vibrant, dynamic and diverse. Offering a high-quality built environment, employment, and learning and leisure opportunities by encouraging new investment into the city. The Council takes a strategic approach to all property related matters where capital investment supports both growth in the city and wider regeneration within the boundary area. All proposed schemes and projects are subject to a robust business case, as set out in this strategy, and should ideally be self-financing / income generating to protect the revenue budget from future pressures. Asset disposals should always be at full market value unless Council policy supports subsidy for statutory reasons.

Regeneration – Through its Local Plan, the City Council is translating the Sustainable Community Strategy into a series of land allocations and planning policies to guide public and private investment decisions. The Local Plan identifies the spatial distribution and broad areas of growth in Peterborough and identifies the sites required to deliver the future growth requirements which will require funding for the infrastructure requirements it generates. This sits alongside S106 agreements and CIL towards funding and maintaining this infrastructure. The Local Plan suggests that Peterborough's population will rise from its current level of 201,000 to over 230,000 by 2036. This rate of growth will create challenges as well as opportunities: for example, despite significant growth in housing stock locally, housing demand increasingly outstrips supply.

Culture & Leisure – The assets held for the provision of cultural and leisure services are owned by the Council. Leisure services are provided from those assets by Peterborough Ltd and the cultural services by City Culture Peterborough. The AMP highlights the requirement of £500k of immediate work, however, the majority of facilities have been closed due to COVID-19. The Council, PL, and CCP continue to liaise with Sport England and the Arts Council to secure funding for these facilities.

Strategic Property - The Council keeps its property portfolio under constant review; ensuring assets are held only for identified operational, growth or investment purposes. Co-location and further portfolio rationalisation are expected to improve overall efficiency of the operational portfolio and will be used to contribute to the overall growth of Peterborough. A full cost recovery methodology and market testing is applied to all leasing and rental arrangements, the Council cannot subsidise non-statutory organisations or services.

ICT - IT and Digital services are critical to the efficient delivery of Council Services. The Joint IT and Digital Strategy for Peterborough City Council and Cambridgeshire County Council is centred on building a shared IT infrastructure and shared IT, Business and Digital systems. Infrastructure projects include converging the storage and networking environments of the Councils as well as looking at converging and simplifying the end user devices (laptops & mobiles) and productivity systems (Microsoft Office 365) to remove duplication and allow for economies of scale within IT and maximise the efficiency of staff.

Trading Services - PCC has a wholly owned trading company, Aragon Direct Services, which provides services including bin collections and street cleaning. To support these services, the Capital Programme includes investment for fleet and improved recycling and waste collection.

9. LOANS TO THIRD PARTIES

PCC may make loans to third parties to support the Council's strategic interests. All loans are subject to due diligence (including external support as appropriate), sign-off by the Chief Financial Officer (S151) and Council approval. All loans are approved in line with the principles of Security, Liquidity and Yield and a robust risk assessment. Loans may be secured against assets, if possible and appropriate. An expected loss model is applied throughout the life of the loan in line with the requirements of IFRS9 Financial Instruments and disclosed in the annual Statement of Accounts. The following loans have been approved to date:

Third Party Details	Reason for loan	Current Loan Advanced	Repaid to Date	Maximum Exposure	Repayment date
Hotel Loan	Growth, Development and Regeneration Purposes	£10.0m	-	£15.0m	Refinance of the loan is due by June 2022
Peterborough Limited	Teckal PCC co.	Revenue Loan £1.6m Capital Loan £0.2m	£0.8m	£1.0m	

Third Party Details	Reason for loan	Current Loan Advanced	Repaid to Date	Maximum Exposure	Repayment date
Peterborough Positive Limited	Growth, Development and Regeneration Purposes	£0.1m	-	£0.1m	Within the duration of the first five year term of the Business Improvement District

10. Commercial Activity

The Department for Levelling Up, Housing and Communities (DLUHC) – has announced that there is a complete prohibition on Councils borrowing from Public Work Loans Board (PWLB) to invest in commercial property for yield only. Given that the Council relies on the PWLB to fund its existing Capital Programme this means that the previous Investment Acquisition strategy is no longer applicable. Borrowing via the PWLB will still be permissible for regeneration projects, and over the next ten years it is important for the Council to focus on regeneration which will improve the city, create local jobs and encourage private sector investment.

11. Summary Capital Programme

Capital Programme	2022/23 £000	2023/24 £000	2024/25 £000
Customer & Digital Services	3,164	2,080	3,000
People & Communities	22,441	7,203	15,720
Place & Economy	71,457	21,147	13,586
Resources	2,965	1,510	1,560
Total Capital Programme	**100,027**	**31,940**	**33,866**
Grants & Third-Party Contributions	78,994	21,871	24,213
Capital Receipts repayment of loans	15,000	-	-
Capital Receipts - used to fund capital programme	-	233	233
Borrowing	6,033	9,836	9,420
Total Capital Financing	**100,027**	**31,940**	**33,866**
Invest to Save	3,201	-	-
IFRS16 Transition (estimated)	22,000	-	-
Target reduction (tbc)	(9,234)	(9,836)	(9,420)
Total Capital Programme (Including Invest to Save, IFRS16 & reduction to programme)	**115,994**	**22,104**	**24,446**