

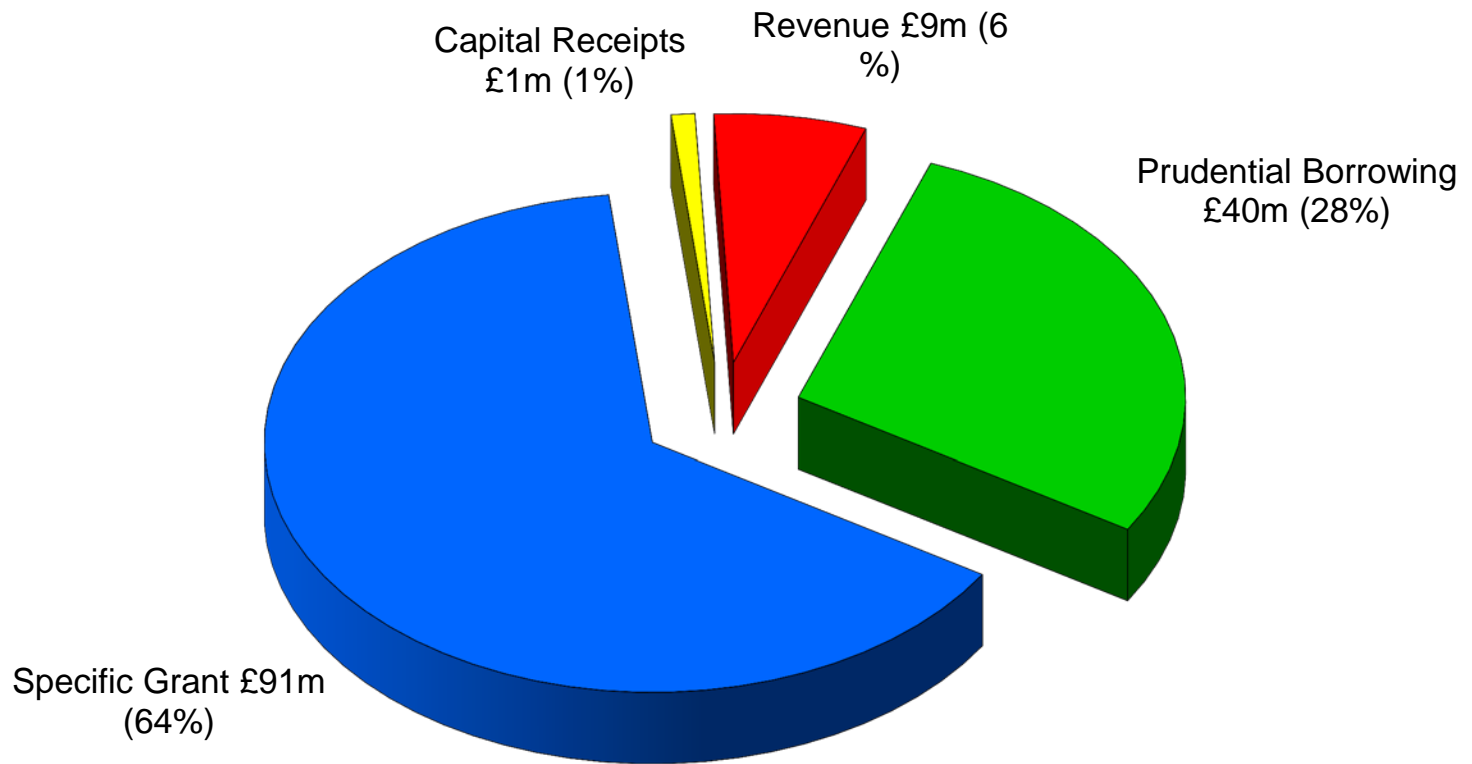
**COVENTRY CITY COUNCIL  
CAPITAL PROGRAMME  
2014/15**

**FINANCE AND CORPORATE SERVICES SCRUTINY  
BOARD (1)  
14 APRIL 2014**

# 2014/15 Capital Programme

- Largest programme in a generation
- Bucks recent trend in terms of size
- A mix of European, Government and local drivers for this
  - Unclear what future trends will be

# 2014/15 Capital Funding



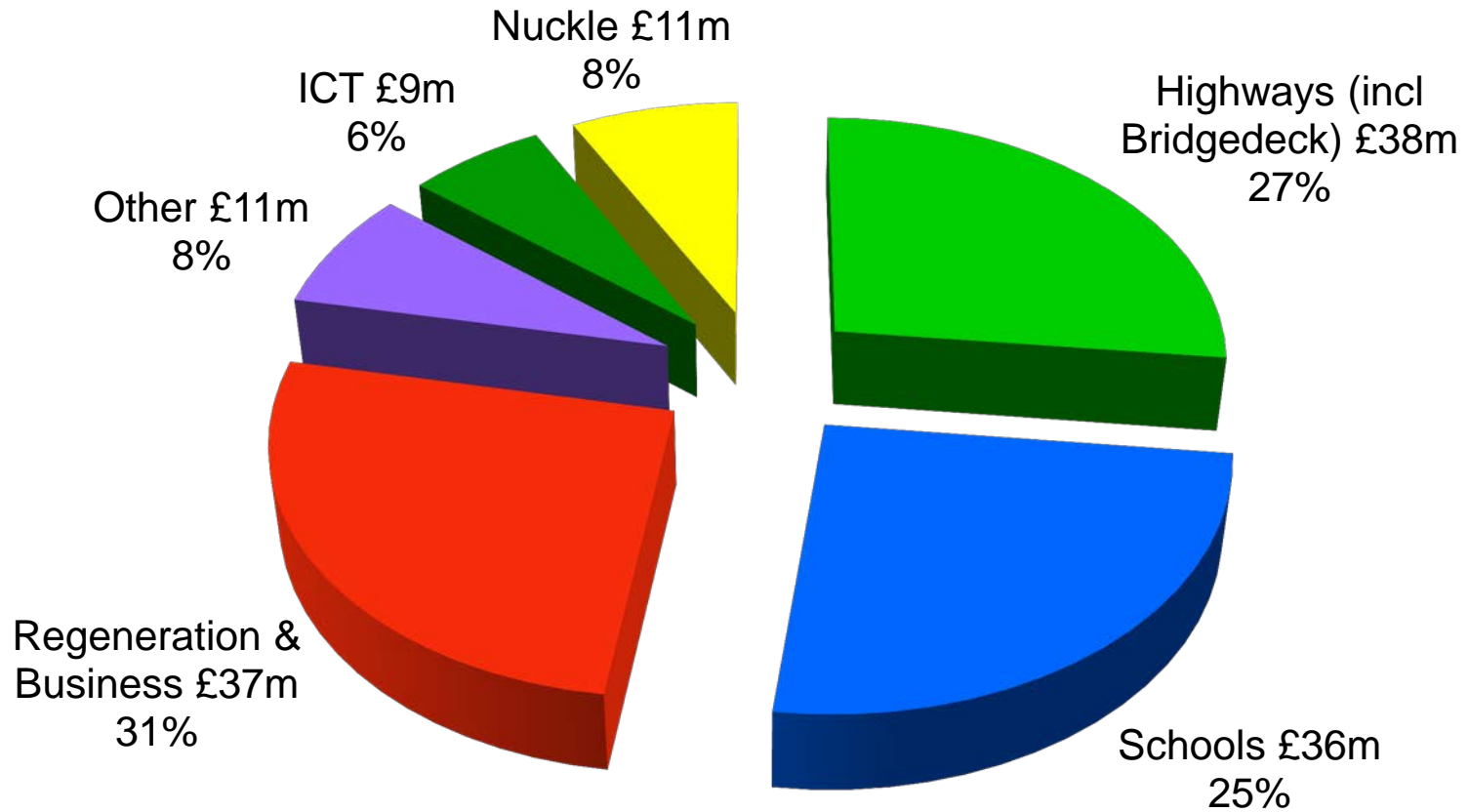
# Programme Funding

- Programme dominated by grant/borrowing
- This explains large size of programme
- Vast majority of grant is either ring-fenced (European) or at least specifically targeted (schools, highways)
- Not sustainable level over long-term?

# Prudential Borrowing

- Local authorities can make prudent decisions to borrow
- Decisions should have:
  - Business case (Kickstart, AT7, Study Inn)
  - Strategic policy importance (CIF)
  - Other rationale (vehicle replacement, ICT)
- Borrowing results in a revenue costs for the lifetime of the scheme

# Capital Programme Spending



# Roads & Pavements

- Highways programme contains a number of large schemes (Whitley, Walsgrave, Cycle Cov, junction improvement)
- Funding for these from grant bids
- Underlying highways/pavement capital maintenance budget reduced from £6m to £3m
- Recent national Budget announcement plus flood damage money will supplement this
- National allocations for roads always fall short of needs

# Schools & Regeneration

- Schools spend dominated by need for extra places
- Future funding now uncertain with secondary expansion particularly at risk
- Very large spike in regeneration spend
- Mix of national, sub-regional and local emphasis
- RGF and Growing Places £s add to local schemes funded from borrowing



# Scope for Flexibility

- Capital receipts have provided previous flexibility
- Receipts have reduced as stock of saleable assets reduces
- Receipts now being used to deliver savings targets (through repayment and deferral of borrowing)
- Most of rest of Programme funding is subject to ring-fencing & specific Council decisions
- Lentons Lane, ICT Programme and roads have been main recent areas where the Council has applied flexibility over resources

# Future Programme

- Will depend on new parliament spending decisions
- Need to continue to make grant bids but sources likely to dry up
- Will consider self-funding scheme opportunities but relies on acceptable mix of risk and return, and member appetite
- Weather eye needed on overall borrowing and debt repayment levels
- Likely to be limit to level of revenue funding available as austerity continues