

The background of the slide features a large, light blue watermark of the Coat of Arms of the City of Edinburgh. The crest includes a crown with four thistles, a shield divided into four quarters (top-left: saltire, top-right: stag's head, bottom-left: ship, bottom-right: eagle), and a motto scroll at the bottom.

# **Agenda Item 11**

## **Capital Programmes Outturn 2018/19**

Falkirk Council

**Title:** Capital Programmes Outturn 2018/19  
**Meeting:** Executive  
**Date:** 18 June 2019  
**Submitted By:** Director of Corporate & Housing Services

**1. Purpose of Report**

- 1.1 This report provides details of the outturn position, subject to final audit review, of the 2018/19 General Fund Services and Housing Capital Programmes. It also presents the Prudential Indicators for information.

**2. Recommendations**

The Executive is asked to:-

- (1) Note the outturn position, subject to audit, for both the General Fund Services (£30.0m) and Housing Capital Programmes (£35.3m).
- (2) Approve the carry forward of savings for the Falkirk High Station Car Park, as set out in paragraph 4.3.4.
- (3) Note the Prudential Indicators.
- (4) Note the reduction in the external borrowing requirement for Capital Programme purposes.
- (5) Note the conclusion of the sale of properties under the National Housing Trust Initiative , as set out in section 4.10.

**3. Background**

- 3.1 The General Fund Services and Housing Capital Programmes were approved by Council on the 7 March 2018. The 2018/19 budgets for both programmes are part of a three year plan and as such there will be movement in spend across the years.

**4. Considerations**

**4.1 General Fund Services Capital Outturn 2018/19**

- 4.1.1 As previously advised to Executive, the approved 2018/19 budget was revised to £39.3m, to take into account slippage from the 2017/18 Capital Programme. Subject to audit, the outturn for the General Services Capital Programme for 2018/19 is:

	£'m
<b>Revised Budget 2018/19</b>	<b>39.313</b>
Outturn	30.032
<b>Variance</b>	<b>(9.281)</b>

4.1.2 The following paragraphs focus on the main areas of spend for 2018/19 (see Appendix 1), whilst section 4.3 examines the movement in the outturn variance since the last report to the Executive in February 2019.

4.1.3 **Children's Services (£6.8m)**

- Expansion work at Kinnaird Primary School - phase I and II, £1.4m and £0.2m, respectively. Phase I works will be completed by August 2019
- Internal upgrade works of £0.3m have started at Larbert High School during 2018/19, with the main element being carried out in 2019/20.
- The Scottish Government funded Early Years project has spent £2.7m in 2018/19.
- Further improvement works to the value of £1.6m has been spent on the school estate, health and safety requirements and capacity expansion during the year.
- The outturn also includes £0.05m for works at the Dobbie Hall, £0.2m for Community Halls/Centres and £0.4m for ASN/ASD provision within the primary schools.

4.1.4 **Design, Roads & Transport (£10.0m)**

- Final spend on the Falkirk High Station Car Park was £0.03m which is c£0.15m lower than expected.
- The rolling programme of works for bridge strengthening, structural roads works, road safety and street lighting came in at £6.8m including £0.3m of accelerated Street Lighting spend.
- The LED Lighting replacement scheme spent £0.9m and was fully funded from the Energy Efficiency Loans Fund (EELF) and Salix Finance Ltd; (an independent publicly funded company who provide interest free loans to the public sector for energy efficiency projects). The funding was initially received into revenue and then transferred to capital as a revenue contribution (CFCR, see paragraph 4.2.1).
- Electric Vehicle Chargers were purchased at a cost of £0.1m, which were funded from external grants.
- The spend for Cycling, Walking, Safer Streets (CWSS) projects was £0.9m, including spend on the Abbotshaugh Bridge of £0.5m. All CWSS projects are fully funded from grants from Scottish Government, Sustrans, Transport Scotland and Falkirk Environmental Trust (FET).
- Land negotiations continue as part of the DEAR project and are taking longer than anticipated. It was recognised at the time this project was approved that this could be an issue. However, notwithstanding this, the project is still expected to be completed within the original time frame that was approved i.e. by the end of 2020/21. The 2018/19 spend was £0.3m against a budget of £1.1m.
- The Grangemouth Flood Protection Scheme spend was £0.8m with a further £0.1m of spend for the minor Flood Prevention Schemes.

4.1.5 **Planning & Economic Development (£4.5m)**

- Refurbishment work at Arnotdale House completed this year at a cost of £1.2m, which was c£0.3m below budget. The works were mostly funded by a £1.1m Scottish Government Grant.
- Spend of £0.3m on the Falkirk Townscape Heritage Initiative (FTHI) which was £0.15m less than budget and £0.4m of spend on Denny Town Centre. Both projects are expected to complete in 2019/20.

- The spend on the external works at the Crematorium was £0.1m and £0.2m of costs were incurred for Cemeteries development work.
- The rolling programme for investment in Parks spent £0.2m during the year, £0.05m of which was funded by external grants.
- Work at Bo'ness Harbour came in at £0.1m and spend on Countryside Access projects was £0.9m which was funded from external grants, mainly Sustrans.
- Upgrade works at the Citizen's Advice Bureau cost £0.2m
- Spend of £0.6m for the Synthetic Pitch at Westfield Park, Denny, £0.25m of which was funded by a Sports Scotland grant.
- Various works amounting to £0.4m were completed and most were funded by planning obligation receipts.

#### 4.1.6 **Environmental Services (£3.3m)**

- Vehicle replacement spend was £2.3m, including £0.4m for the purchase of vehicles for the Council of the Future project "Smart Working, Smart Travel".
- Waste Collection and Street Bins were purchased at a cost of £0.8m, £0.5m of which was funded by a grant from Zero Waste Scotland. A further £1.0m of grant funding from Zero Waste Scotland has been awarded for 2019/20, as reported to the Executive in January.
- The restoration of Kinneil Kerse Landfill Site cost £0.2m in 2018/19.

#### 4.1.7 **Adult Services (Social Work) (£0.4m)**

- Spend of £0.2m was incurred for replacement MECS equipment and the transfer of analogue boxes to digital.
- Spend of £0.1m is also included for upgrade works at day centres.
- The outturn also includes £0.1m for Changing Places Toilets, a scheme which provides fully accessible public toilet and changing facilities for people with complex disabilities.

#### 4.1.8 **Corporate & Housing (£3.6m)**

- The spend on corporate IT was £2.7m, and includes £0.4m for the implementation of the Social Work Information System (SWIS); £0.4m for server replacement; £0.3m for software licences and £0.4m for the refresh of PCs across the school estate.
- The IT outturn also includes £0.6m for the business transformation enabling project, Mobile and Flexible Working Solutions across the Council.
- In addition to the IT spend the projection includes £0.8m for the upgrades to the West and Central Advice Hubs and £0.1m for the Council's Central Accommodation budget.

#### 4.1.9 **Community Trust (£1.5m)**

- The largest area of spend is in relation to the new Soft Play Area at the Mariner Centre at a cost of £1m. The cost of the Soft Play Area has initially been funded by the Council and thereafter the borrowing costs associated with this funding, will be recharged to the Trust via a deduction in the Council's Service payment to the Trust.
- New seating at Falkirk Town Hall is now in place at a cost of £0.2m.

- Various works at Grangemouth Sports Complex have been undertaken at a cost of £0.1m, including spend on the replacement of pool plant and sauna fixtures.
- The outturn also includes £0.2m for minor works across a variety of other Trust operated buildings, including Grangemouth Stadium and Bo'ness Town Hall.

## 4.2 Resources – General Fund Services

4.2.1 Resources within the General Fund Capital Programme include the following Scottish Government Grants:

- General Capital Grant - £13.6m
- Expansion of Early Years - £2.7m
- Grangemouth Flood Protection Scheme - £0.6m
- CWSS projects - £0.2m
- Arnotdale House - £1.1m

The outturn resources also include:

- External funding of c£3.4m for various additional projects
- Capital Contribution from Revenue of £0.9m for the LED lighting project.
- Prudential borrowing of c£7.6m.

## 4.3 Outturn Variance 2018/19

4.3.1 The outturn variance for the General Fund Services Capital Programme as detailed in paragraph 4.1.1 is £9.28m less than the revised budget. The outturn variance is analysed as follows:

	£'m
Early Years Projects Rescheduled to 19/20	(3.968)
Projects Fully Funded from External or Additional Resources	3.475
Savings	(0.670)
Slippage	(8.118)
<b>Outturn Variance</b>	<b>(9.281)</b>

4.3.2 The outturn variance reported to the February Executive was £6.38m less than the revised budget. The movement since then, of £2.9m is analysed in the following table:

	£'m
Projects fully funded from External or Additional Resources	(0.693)
Project Savings	(0.640)
Increase in Slippage (see paragraph 4.3.5)	(1.569)
<b>Movement in Variance 2018/19</b>	<b>(2.902)</b>

4.3.3 As shown in the table above, spend on projects which are fully funded from external or additional resources, has reduced by c£0.7m since the February Executive report. The reduction mainly relates to £0.4m of Waste Collection Bins and Countryside Access projects of £0.5m, both of which are funded

by grant. The budgets and the related grants for these projects will be carried forward to 2019/20 and will therefore have a neutral impact on the bottom line.

4.3.4 The table at paragraph 4.3.2 also refers to savings of c£0.6m, details of which are as follows:

- Arnotdale House – £0.344m
- Falkirk THI – £0.150m
- Falkirk High Station Car Park – £0.146m

The costs for both Arnotdale House and Falkirk THI are lower than originally anticipated and the overall saving of £0.494m will benefit the bottom line. However in terms of Falkirk High Station Car Park savings, the Service have requested that these be carried forward into 2019/20, to allow further parking spaces to be constructed at the Station.

4.3.5 The main reasons for the increase in slippage of £1.569m are as follows:

	£'m	Comments
<b>Development Services:</b>		
Grangemouth Flood Protection Scheme	(0.190)	Site and access constraints with ground investigation contracts
Flooding – Minor Schemes	(0.093)	Work delayed due to environmental constraints.
DEAR	(0.117)	Land negotiations taking longer than anticipated.
Crematorium	(0.173)	Revised specification of memorial wall plus agreeing final account of the main building led to delays.
Roughmute Recycling Centre - Junction	(0.250)	Delayed pending agreement with Scottish Water in relation to mains water pipe
Roads	(0.190)	Final completion of year end surfacing work delayed because of adverse weather.
Falkirk THI	(0.068)	Contractor for Steeple went into Liquidation so delay in arranging the completion of work.
<b>Corporate &amp; Housing:</b>		
West Advice Hub	(0.226)	To ensure project remains within budget, car park improvements delayed until costs for initial works finalised.
<b>Community Trust:</b>		
Grangemouth Town Hall	(0.066)	Work scheduled to minimise disruption to customers and events
Grangemouth Library	(0.050)	Roof works, therefore timing of completion was weather dependent
Grangemouth Sports Complex	(0.028)	Work scheduled to minimise disruption to customers and events

	£'m	Comments
<b>Community Trust (cont'd):</b>		
Athletic Stadium Grandstand Toilets	(0.033)	Unexpected structural investigations were required
Callendar Park Play Area & Toilets	(0.066)	Procurement process undertaken by external main funder, leading to delay.
<b>Miscellaneous</b>	(0.019)	Minor variances across Services
<b>Total</b>	<b>(1.569)</b>	

4.3.6 The 2019/20 General Fund Capital Programme will be increased by the overall slippage of £8.1m. As previously advised to Members, Internal Audit carried out a review of the General Fund Capital Programme, including arrangements for dealing with slippage. A number of key controls have now been introduced to monitor and reduce slippage. The timing of the review is such that the improvements that have been introduced will not become fully apparent until 2019/20. It is therefore expected that slippage will not exceed the budgeted level of £3.5m for 2019/20.

4.3.7 The Executive previously approved the rescheduling of a number of projects to future years. Consequently, where appropriate, the 2019/20 Capital Programme will also be adjusted to include these projects. The total value of projects that were rescheduled to 2019/20 is c£5m and are detailed as follows:

	£'m
Kinnaird Primary School Extension – Phase 1	0.527
Synthetic Pitches	0.350
Day Centre Upgrades	0.150
Early Years funded by Scottish Government	3.968
<b>Total Rescheduled</b>	<b>4.995</b>

#### 4.4 Major Standalone Projects

4.4.1 Members were previously advised that there are a number of projects which span several financial years. Details of these projects are provided in Appendix 2 and include the Grangemouth Flood Protection Scheme and DEAR.

#### 4.5 Housing Capital Programme

4.5.1 Subject to audit, the outturn for the Housing Capital Programme for 2018/19 is £35.3m, as detailed in Appendix 3. This spend delivered a range of improvements to the Council's housing stock and housing estates. The Housing Investment Programme also helped to fund the delivery of additional houses to meet the continuing need for affordable housing.

4.5.2 The outturn spend for the year is £35.3m which is £3.2m less than the revised budget of £38.5m. The forecast variance reported to the February

Executive was £4.1m less than budget. The £0.9m movement in variance is analysed in the following table:

	<b>Movement Variance £'m</b>	<b>Paragraph Reference</b>
Elemental Improvements	0.514	4.5.3
Energy Efficiency	0.161	4.5.4
New Build Housing	0.836	4.5.5
Property Buy Backs	0.711	4.5.6
Estates Improvements	(1.172)	4.5.7
LHS Initiatives & Others	(0.175)	4.5.8
<b>Total Movement</b>	<b>0.875</b>	

The following paragraphs focus on the main areas of spend and movements from the previous position reported to the February Executive.

#### **4.5.3 Elemental Improvements (£15.3m)**

Works undertaken in relation to external fabric improvements e.g. re-roofing and roughcasting came in at £10.2m. A total of £2.9m was spent on kitchen and bathroom replacements and £2.2m on electrical works. The outturn for Elemental Improvement reflects a slight increase compared to the position reported in to the February Executive.

#### **4.5.4 Energy Efficiency (£1.3m)**

A total spend of £1m was incurred on the Council's replacement heating scheme which will improve the energy efficiency of homes. The project to extend the Combined Heat & Power (CHP) system and provide electricity from the CHP system to communal areas within high rise properties and other adjacent properties has in the main had to be rescheduled to 2019/20. Some spend (£0.3m) has been incurred in 2018/19 which accounts for the small increase from the forecast spend that was reported in February.

#### **4.5.5 New Build Housing (£7.1m)**

New Build housing spend was £7.1m, which is £1.6m less than budget but £0.8m more than the forecast in the February Executive report. There are three main projects being undertaken in 2018/19 i.e. Abbots Road, Grangemouth; Duke Street, Denny and Blinkbonny Road, Falkirk. The overall variance of £1.6m is primarily due to a later than expected start date for works at Seabegs Road, Bonnybridge. The movement of £0.8m since February, is due to better progress being made than was expected on the Abbots Rd; and Blinkbonny sites. The three New Build projects will deliver a total of 76 new homes, 19 of which are already operational as a result of the completion of the Duke Street project in February 2019.

#### **4.5.6 Property Buy Backs (£6.7m)**

The purchase of ex-Local Authority houses which will help to meet housing demand continued at a cost of £6.7m. This was £0.7m more than the forecast reported in February. The increase in spend was due to a higher than anticipated number of property acquisitions being concluded prior to the year-end.



#### **4.5.7 Estates Improvements (£4.0m)**

Estates Improvement spend was £4m, which is c£2.5m over the approved budget of £1.5m. The additional spend relates to a rolling programme of improvements, including wall and path upgrades. This work is aligned to external fabric improvements works, with the level of work varying per location. Final spend was approximately £1.2m less than the February forecast due to the location and type of external fabric improvement works being carried out in the latter part of the financial year.

#### **4.5.8 LHS Initiatives & Other Priority Areas (£0.9m)**

The Local Housing Strategy (LHS) identified the need to review our housing stock to better meet housing demand and improve communities, in particular low demand 3 bedroom flatted accommodation. In order to allow time to implement the required works following Members' decision on the redevelopment of Haugh Gardens, Bainsford, spend is now anticipated in future financial years. The final spend for 2018/19 was £0.9m which is £3.7m less than budget and £0.2m less than the forecast position reported to the February Executive. The outturn of £0.9m includes £0.3m for the purchase of ex-Council houses purchased through the Mortgage to Rent Scheme, which is part-funded through Government grant.

### **4.6 Resources – Housing**

4.6.1 The Housing Revenue Account has increased its Capital Funded from Revenue Contributions (CFCR). The approved budget was £8.3m and the outturn figure was £9.1m, which is £0.8m higher than budget. The outturn of £9.1m was £0.4m lower than that reported to the February Executive, due to a number of small expenditure variances within the Council's Housing Revenue Account (HRA).

4.6.2 Total Government Grant for New Build was £2.2m, £0.7m of which was in relation to projects at Abbots Road, Grangemouth and £1.5m for Blinkbonny Road, Falkirk. This is consistent with the position reported in February.

4.6.3 Scottish Government grant funding of £2.25m was received to part fund the £6.7m Property Buy Backs spend.

4.6.4 Government grant of £0.2m was received to part fund the Mortgage to Rent Scheme purchases.

4.6.5 Additional grant income of £0.1m was received towards energy efficiency works.

4.6.6 Prudential borrowing is c£1.2m more than reported to the February Executive due to the increase in capital spend £0.9m, the reduction of the CFCR of £0.4m, offset by additional grant income of £0.1m.

### **4.7 Prudential Indicators**

4.7.1 A series of Prudential Indicators are used to demonstrate that capital spending plans are affordable, prudent and sustainable. They are approved by Members in each year as part of the Budget process. There

are 9 Indicators for the Council as a whole and 4 for Housing only. Appendix 4 details the budgeted and outturn Indicators for 2018/19.

## 4.8 Capital Investment Plans & Treasury Management

- 4.8.1 Capital Investment plans and Treasury Management are intrinsically linked. The 2018/19 Treasury Strategy Report to Council in April 2018 detailed the estimated long term borrowing requirement for 2018/19. It is calculated in January 2018 and takes into account the estimated borrowing for capital programme purposes (including the likely slippage for 2017/18), service repayment of debt, borrowing for TIF and the replacement of any short term or long term loans that are due to mature in 2018/19. As such it will inevitably change as the year progresses. The anticipated long term borrowing requirement reported to the Executive in February was £44.8m however, the actual long term borrowing requirement for 2018/19 was slightly less at £42.5m. The movement since the February Executive is as follows:

	<b>Forecast Feb'2019</b>	<b>Actual 2018/19</b>	<b>Variance</b>
	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
Capital Programmes Net of Capital Receipts	30.3	29.1	(1.2)
Service Repayments of Debt	(15.0)	(16.1)	(1.1)
Replacement of Long Term Borrowing	1.0	1.0	-
Replacement of Short Term Borrowing	28.5	28.5	-
<b>Total Long Term Borrowing Requirement</b>	<b>44.8</b>	<b>42.5</b>	<b>(2.3)</b>

- 4.8.2 Borrowing for capital programme purposes only i.e. Capital Programmes Net of Capital Receipts as detailed in the table above, was £1.2m less than reported to the February Executive. This is due in the main to slippage of £1.5m in the General Fund Capital Programme, offset by additional borrowing of £1.2m in the Housing Capital Programme and slippage of £0.9m for TIF projects.
- 4.8.3 Service repayments of debt have increased by £1.1m, £0.1m for TIF and £1m for the General Fund. As part of the Council's 5 year Business Plan which was reported to Members at the May Executive, Treasury Management activities were highlighted as an area which would be reviewed and restructured to secure future Revenue Budget savings. The additional £1m General Fund debt repayment is an integral part of this review and restructure. This is also reported in the Financial Outturn Position 2018/19 and the Treasury Management Annual Review 2018/19, which are separate agenda items at this meeting.

## 4.9 Capital Reserves

### 4.9.1 Capital Receipts Reserves

This Reserve comprises proceeds from the sale of Council Assets. The movement on this Reserve is detailed in the following table:

	<b>General Fund £'m</b>	<b>HRA £'m</b>	<b>Total £'m</b>
<b>Balance at 1 April 2018</b>	<b>4.837</b>	<b>2.632</b>	<b>7.469</b>
Add:			
Receipts 2018/19	1.334	0.097	1.431
Less:			
Applied to Pay off Debt 2018/19	(4.539)	-	(4.539)
<b>Balance at 31 March 2019</b>	<b>1.632</b>	<b>2.729</b>	<b>4.361</b>

4.9.1.1 On a similar vein to details in paragraph 4.8.3, Capital Receipts have also been considered as part of the Treasury Management review and restructure. Consequently £4.5m of Capital Receipts have been used to make additional Loans Fund debt repayments. This additional debt repayment will result in a reduction in future Loan Charges to the General Fund which will ultimately help to bridge the c£76m Revenue Budget gap as detailed in the five year Business Plan. This area will continue to be explored as receipts become available in the future. A similar exercise is being considered for Housing Capital Receipts.

4.9.1.2 The balance on the General Fund Capital Receipts Reserve includes £0.754m for Northfield Quarry, which can only be applied at £0.03m per annum.

### 4.9.2 Capital Grants Unapplied Accounts

This Reserve comprises Section 75 contributions from developers as well as capital grants/contributions for which conditions often apply. The movement on this reserve is as detailed in the following table:

	<b>General Fund £'m</b>	<b>HRA £'m</b>	<b>Total £'m</b>
<b>Balance at 1 April 2018</b>	<b>0.705</b>	<b>1.082</b>	<b>1.787</b>
Add:			
Receipts 2018/19	0.015	-	0.015
Less:			
Applied to 2018/19 Capital Programme	(0.378)	-	(0.378)
<b>Balance at 31 March 2019</b>	<b>0.342</b>	<b>1.082</b>	<b>1.424</b>

## 4.10 National Housing Trust Initiative

4.10.1 In August 2010 the Council's Housing and Social Care Committee agreed to the Council's participation in the National Housing Trust ("NHT") initiative. NHT was a Scottish Government led initiative intended to stimulate the private house building sector during the economic downturn by using public money to stimulate development and provide affordable

housing for rent at mid-market levels on otherwise stalled development sites. Subsequent to the decision of Committee, a special purpose vehicle, Carrongrove NHT 2011 LLP ("the SPV") was established with MacTaggart & Mickel ("the Developer") and Scottish Futures Trust ("SFT"). Following on from the establishment of the SPV, 27 houses and flats were built at Carrongrove Mill, Stoneywood.

- 4.10.2 Under the terms of the NHT agreement, the Council provided a loan of £2.342m covering 70% of the development costs. The loan was underwritten by a Scottish Government guarantee. The remaining 30% of funding was provided by the Developer. The terms of the agreement also allowed the Developer to exit the agreement after the properties had been occupied for 5 years. The 5 year occupancy trigger has passed and at Falkirk Council on 23 January Members, approved the sale of the properties by Carrongrove NHT 2011 LLP to Link Corporate Trustees (UK) Limited as Trustees for The Housing Fund for Scotland ("the Purchaser").
- 4.10.3 The sale was concluded on 9 May 2019 and the outstanding loan of £2.342m was repaid in full.

## **5. Consultation**

- 5.1. There is no requirement to carry out a consultation on this report.

## **6. Implications**

### **Financial**

- 6.1. Future budgets for both capital programmes will be adjusted to reflect the slippage for the General Fund Services and the Housing Capital Programmes.

### **Resources**

- 6.2. There are no resource implications arising from the report recommendations.

### **Legal**

- 6.3. There are no legal implications arising from the report recommendations.

### **Risk**

- 6.4. There is a risk that the cost of those projects which have slipped in 2018/19, may increase because of construction inflation.

### **Equalities**

- 6.5. An equality and poverty impact assessment was not required.

## **Sustainability/Environmental Impact**

6.6 A sustainable assessment was not required.

## **7. Conclusions**

7.1. The outturn for the 2018/19 General Services Fund was £30m which was £9.3m less than budget.

7.2. The outturn for the 2018/19 Housing Capital Programme was £35.3m which was £3.2m less than budget.

---

Director of Corporate & Housing Services

Author – Carole McGhee, Capital, Treasury & Insurance Manager – 01324 506340, [carole.mcghee@falkirk.gov.uk](mailto:carole.mcghee@falkirk.gov.uk)

Date: 27 May 2019

## **Appendices**

**Appendix 1 - General Fund Outturn 2018/19**

**Appendix 2 - General Fund Major Standalone Projects**

**Appendix 3 - Housing Outturn 2018/19**

**Appendix 4 - Prudential Indicators**

## **List of Background Papers:**

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

Three Year Capital Programme 2018/19 – 2020/21 – Council 7 March 2018

**2018/19 CAPITAL PROGRAMME****GENERAL PROGRAMME - SUMMARY****APRIL 2018 TO MARCH 2019**

<b>EXPENDITURE</b>	<b>2018/19 REVISED BUDGET</b>	<b>2018/19 OUTTURN</b>	<b>2018/19 OUTTURN VARIANCE</b>
<b>SERVICE INVESTMENT PLANS</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
CHILDREN'S SERVICES	12,454	6,766	(5,688)
DEV - DESIGN, ROADS & TRANSPORT	10,423	9,959	(464)
DEV - PLANNING & ECONOMIC DEVELOPMENT	4,966	4,459	(507)
DEV - ENVIRONMENTAL SERVICES	3,009	3,301	292
ADULT SERVICES (SOCIAL WORK)	148	428	280
CORPORATE & HOUSING SERVICES	6,229	3,607	(2,622)
COMMUNITY TRUST	2,084	1,512	(572)
<b>TOTAL EXPENDITURE 2018/19</b>	<b>39,313</b>	<b>30,032</b>	<b>(9,281)</b>

<b>RESOURCES</b>	<b>2018/19 REVISED BUDGET</b>	<b>2018/19 OUTTURN</b>	<b>2018/19 OUTTURN VARIANCE</b>
FALKIRK COUNCIL BORROWING	11,358	7,618	(3,740)
SCOTTISH GOVERNMENT BLOCK GRANTS	13,584	13,584	0
SCOTTISH GOVERNMENT SPECIFIC GRANTS	8,096	4,609	(3,487)
CAPITAL RECEIPTS - SALES	2,360	0	(2,360)
EXTERNAL FUNDING	515	3,351	2,836
RESERVES (DMR, CFCR and R&R)	0	870	870
SLIPPAGE ALLOWANCE	3,400	0	(3,400)
<b>TOTAL RESOURCES 2018/19</b>	<b>39,313</b>	<b>30,032</b>	<b>(9,281)</b>

**2018/19 CAPITAL PROGRAMME****GENERAL PROGRAMME - SUMMARY****MAJOR STANDALONE PROJECTS**

PROJECT NAME	TOTAL PROJECT BUDGET	PREVIOUS YEARS SPEND	2018/19 OUTTURN SPEND	FUTURE YEARS FORECAST	TOTAL FORECAST SPEND
	£000	£000	£000	£000	£000
KINNAIRD PRIMARY SCHOOL EXTENSION PHASE I	2,820	293	1,910	617	2,820
KINNAIRD PRIMARY SCHOOL EXTENSION PHASE II	640	0	206	434	640
LARBERT HIGH SCHOOL PHASE III - V	2,492	180	257	2,055	2,492
DEAR	7,329	1,750	283	5,296	7,329
GRANGEMOUTH FLOODING	152,042	3,009	810	148,223	152,042
<b>TOTAL</b>	<b>165,323</b>	<b>5,232</b>	<b>3,466</b>	<b>156,625</b>	<b>165,323</b>

**2018/19 CAPITAL PROGRAMME****HOUSING INVESTMENT PROGRAMME - SUMMARY****APRIL 2018 TO MARCH 2019**

<b>EXPENDITURE</b>	<b>2018/19 REVISED BUDGET</b>	<b>2018/19 OUTTURN</b>	<b>2018/19 OUTTURN VARIANCE</b>
<b>HOUSING INVESTMENT PLANS</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
ELEMENTAL IMPROVEMENTS	13,550	15,306	1,756
ENERGY EFFICIENCY	4,173	1,312	(2,861)
NEW BUILD HOUSING	8,707	7,108	(1,599)
PROPERTY BUY BACKS	6,000	6,711	711
ESTATES IMPROVEMENTS	1,500	3,981	2,481
LHS INITIATIVES & OTHERS	4,550	882	(3,668)
<b>TOTAL EXPENDITURE 2018/19</b>	<b>38,480</b>	<b>35,300</b>	<b>(3,180)</b>

<b>RESOURCES</b>	<b>2018/19 REVISED BUDGET</b>	<b>2018/19 OUTTURN</b>	<b>2018/19 OUTTURN VARIANCE</b>
BUDGETED PRUDENTIAL BORROWING	22,602	21,443	(1,159)
CFCR	8,288	9,112	824
SCOTTISH GOVERNMENT - NEW BUILD	5,340	2,223	(3,117)
SCOTTISH GOVERNMENT - BUY BACK	2,250	2,250	0
SCOTTISH GOVERNMENT MORTGAGE TO RENT GRANT	0	176	176
OTHER GRANTS & CONTRIBUTIONS	0	96	96
<b>TOTAL RESOURCES 2018/19</b>	<b>38,480</b>	<b>35,300</b>	<b>(3,180)</b>



**FALKIRK COUNCIL**  
**PRUDENTIAL CODE INDICATORS**  
**[Excluding HRA]**

PRUDENTIAL INDICATOR		BUDGET 2018/19	OUTTURN 2018/19	COMMENTS
1.	Ratio of Financing Costs to Net Revenue Stream	4%	5%	Shows how much of the Council's income is committed to repaying debt arising from capital investment. Note that the increase from 4% to 5% reflects the additional Debt Repayment from the Revenue Budget. This has been fully accounted for in the outturn for the Revenue Budget.
2.	Incremental Impact of Capital Expenditure on Council Tax	£12.53	£23.41	Affordability Indicator showing implications of capital expenditure and its financing on the "bottom-line". Increase is primarily due to the additional Revenue Contributions to capital which have been fully accounted for in the revenue outturn position.
3.	Gross Borrowing: Gross External Borrowing Accounting Adjustment – Finance Lease Liabilities  Capital Financing Requirement (includes HRA) Accounting Adjustment – Finance Lease Liabilities	£'m  277.7  <u>97.5</u> 375.2  315.7  <u>104.2</u> 419.9	£'m  264.9  <u>97.5</u> 362.4  293.3  <u>104.2</u> 397.5	This is a key Prudence Indicator which shows that over the medium term external borrowing will only be for a capital purpose. The capital financing requirement reflects the underlying need to borrow to finance assets. It should be noted that the sums included as “Accounting Adjustment – Finance Lease Liabilities”, are not an increase in borrowing or need to borrow, they are merely a presentational change as a result of the requirement to report under International Financial Reporting Standards (IFRS).

PRUDENTIAL INDICATOR		BUDGET 2018/19	OUTTURN 2018/19	COMMENTS
4.	Capital Expenditure GF Slippage Allowance TIF	£'m  21.2 (3.4) <u>6.4</u> 24.2	£'m  30.0 - <u>0.7</u> 30.7	Simply the approved 2018/19 Capital Programme and the actual capital expenditure including TIF.
5.	Capital Financing Requirement (GF & TIF)	£'m 265.3	£'m 245.0	The Capital Financing Requirement reflects the underlying need to borrow for Capital Investment.
6.	Authorised Limit (AL) for External Debt:- Borrowing Other Long Term Liabilities	£'m  327.5 <u>97.5</u>  <u>425.0</u>	£'m  327.5 <u>97.5</u>  <u>425.0</u>	This sets the maximum level of External Debt, based on Capital Investment Plans and Treasury Management activities. It allows some headroom over the Operational Boundary (see below) for exceptional circumstances.
7.	Operational Boundary (OB) for External Debt:-  Borrowing Other Long Term Liabilities	£'m  322.5 <u>97.5</u> <u>420.0</u>	£'m  322.5 <u>97.5</u> <u>420.0</u>	This is set at a lower level than the Authorised Limit and is a robust estimate of the External Debt level arising from Capital Investment Plans and Treasury Management activities.

PRUDENTIAL INDICATOR		BUDGET 2018/19	OUTTURN 2018/19	COMMENTS
8.	Actual External Debt: External Borrowing Other Long Term Liabilities		264.9  <u>97.5</u> <u>362.4</u>	Actual External Debt per Unaudited Annual Accounts 2018/19 which confirms compliance with the Authorised Limit (AL) and Operational Boundary (OB).
9.	CIPFA Code of Practice for Treasury Management in the Public Services	Code has been adopted by the Council		The Treasury Management Code is designed to ensure prudence in treasury operations.

**FALKIRK COUNCIL**  
**HRA PRUDENTIAL CODE INDICATORS**

PRUDENTIAL INDICATOR		BUDGET 2018/19	OUTTURN 2018/19	COMMENTS
1.	Ratio of Financing Costs to Net Revenue Stream	19%	19%	Shows how much of the Council's HRA income is committed to repaying debt arising from capital investment.
2.	Incremental Impact of Capital Exp. on weekly Rent	(£0.34)	£0.35	Affordability Indicator showing implications of capital expenditure and its financing on the "bottom-line". Increase is due to additional Revenue Contributions to capital which have been fully accounted for in the 2018/19 HRA outturn.
3.	Capital Expenditure	£'m 40.1	£'m 35.3	Simply the approved 2018/19 budget and the actual capital expenditure.
4.	Capital Financing Requirement	£'m 154.5	£'m 152.5	The Capital Financing Requirement reflects the underlying need to borrow for HRA Capital Investment