

**FALKIRK COUNCIL**

**Subject :** **THREE YEAR GENERAL CAPITAL PROGRAMME**  
**2014/15 – 2016/17**  
**Meeting :** **FALKIRK COUNCIL**  
**Date :** **12 February 2014**  
**Author :** **CHIEF FINANCE OFFICER**

**1. INTRODUCTION**

- 1.1 This report and appendices set out the proposed capital investment plans of Falkirk Council for the next three financial years on all areas of service delivery, with the exception of Council Housing which is reported separately to this Council meeting. The proposals contain ambitious investment plans of £81.8m over 3 years including the Tax Increment Financing (TIF) scheme.
- 1.2 The investments are set around an estimated level of resources as outlined in Section 3 of this report and any variations in these resources will have inevitable consequences on the programme as it moves forward.
- 1.3 Whilst the programme shows the investment over the next 3 years, consideration has been given to the effect on future resources of major projects that do not complete in that period and the ongoing need for investment in the Council's roads infrastructure, vehicles, IT, etc.

**2. BACKGROUND**

- 2.1 Capital bids templates were sent out to Services at the beginning of the Capital Budget process. The information included in the bid sheets was used as the primary basis for assessing the bids. The assessment process included alignment with the Council's priorities, as used in the revenue budget process, the risks associated with the project, the objectives of the project and legislative requirements.

**3. RESOURCES**

- 3.1 Overall resources required for the 3 years total £81.8m from the following sources:
  - Prudential Borrowing = £14.9m (18%)
  - Scottish Government Capital Grant = £42.4m (52%)
  - Capital Receipts = £2.4m (3%)
  - Other Funding (Planning Gains etc.) = £9.6m (12 %)
  - Prudential Borrowing for TIF Projects = £12.5m (15%)

- 3.2 The Scottish Government has confirmed the General Capital Grant for 2014/15 at individual Council level but only the Scotland wide grant for 2015/16 has been announced. Although the Scottish aggregate 2015/16 base figure is circa £60m higher than the 2014/15 base grant, at this stage it is unclear to what extent, if any, Falkirk Council will receive a share of this increase. Therefore the General Capital Grant of £11.3m assumed for 2015/16 may be subject to change and any movement will be reported back to Members for approval of amendments to the programme. The 2016/17 General Capital Grant assumes an allocation of £9.6m but this will not be known until the next round of financial settlement figures are announced. The anticipated grant for the new Carrongrange Secondary School has been included in 2015/16 (£3m) and the remainder (£2m) in 2016/17.
- 3.3 The grant figures in the capital programme include the impact of the grant reprofiling exercise undertaken by the Scottish Government as part of the 2011 Spending Review. The Falkirk impact of this exercise is as follows: -£1.213m (2012/13), -£1.011m (2013/14), £1.213m (2014/15), £1.011m (2015/16).
- 3.4 The grant figure includes an allocation of £0.918m in 2014/15 for Children and Young People. Although the Government have intimated that a similar sum will be provided for 2015/16, we await confirmation of this amount in the grant settlement and therefore we have not provided for this in the current 2015/16 capital budget.
- 3.5 During 2013/14 the Scottish Government created a £25m Regeneration Capital Grant Fund to provide financial support to projects that will help to deliver large scale improvements to deprived areas. All 32 local authorities were invited to submit bids for projects meeting the funding criteria but unfortunately Falkirk Council's bid of £3.6m was not successful. Funding of £10m has now been allocated to successful authorities with the remaining £15m still uncommitted. Falkirk Council will submit further bids to try and secure a share of this funding when the Scottish Government commence the next phase.
- 3.6 The National General Capital Grant figure for 2015/16 includes an element of funding which is to be distributed to authorities for large flood prevention projects. Discussions are ongoing between the Scottish Government and COSLA as to the exact value of the funding. There is a strict criterion for award of funding e.g. the scheme must already have been granted approval and necessary planning permission. However at this time Falkirk Council does not have schemes which meet the criterion for this funding.
- 3.7 Capital receipts include the sale of surplus property assets. Also included are anticipated ring-fenced property disposals covering investment in the Business Property Reinvestment Programme and the Denny Regeneration Scheme.
- 3.8 Other Funding consists of known planning gains and funding from revenue, including Earmarked Reserves.
- 3.9 Prudential borrowing for projects included in the Tax Increment Financing (TIF) Scheme projects has been shown separately given both its scale and unique nature.
- 3.10 Considerable Prudential Borrowing is required to balance the proposed profile of expenditure but repayments are considered to be manageable within the confines of the Prudential Borrowing Rules as reflected in the appended prudential indicator statements.

## **4. SERVICE INVESTMENT**

- 4.1 The appended programme (Appendix 1) represents the full range of proposed projects. These will be supplemented in due course by carry forward expenditure attributable to delays caused by factors such as weather conditions, but this position will not be known until the close of the financial year. Slippage in 2013/14 on major projects, as reported to Executive on 14 January 2014, has been shown separately.
- 4.2 The format of the budget has been updated to provide Members with additional information on the major stand-alone projects. Appendix 1 shows the total project budget along with the split over a number of years. Members have also been given information on the design stage a project is currently at.
- 4.3 The following paragraphs give an overview of the most significant Service projects.
- 4.4 **Education**
- 4.4.1 Investment continues to be made to properties across the school estate, with the most notable single projects being a new Carrongrange school and extensions to Antonine and St. Joseph's primary schools
- 4.4.2 Rolling Programmes will continue to fund general property improvements to address condition surveys, capacity issues for all schools and any essential upgrades to Community Education properties.
- 4.4.3 £0.918m has been included in 2014/15 to facilitate the expansion of early learning and childcare hours provision. The Government have also intimated that the same sum will be provided for 2015/16. Education Services plan to report to Education Executive in April 2014 with detailed investment proposals for these monies.
- 4.5 **Development Services**
- 4.5.1 Roads projects include provision for structural works on the Council's roads network along with continued investment in Bridge Strengthening and Lighting upgrades.
- 4.5.2 Provision has been made for additional car parking at Falkirk High Station. It should be noted that grant funding has been applied for to support this budget.
- 4.5.3 Provision is made under the Economic Development Programme for the ongoing regeneration works in Denny Town Centre.
- 4.5.4 The Denny Eastern Access Road is predicated on attracting developer contributions to fund most of the project.
- 4.5.5 Significant investment continues to be directed to Flood Prevention and in particular the Grangemouth Flood Prevention Scheme.
- 4.6 **Social Work**
- 4.6.1 The major project for Social Work is the improvement of Older Peoples' Accommodation. The Service awaits the completion of the options appraisal exercise and will report back to Members in due course.

4.7 **Corporate & Neighbourhood**

- 4.7.1 The main project for this Service is the rolling replacement of the Council's operational vehicles.
- 4.7.2 Provision has been made for the essential building works at the Crematorium, replacement for the cremators and additional interment space.
- 4.7.3 Budgets are also included for upgrades to the Council's core parks and playparks.
- 4.7.4 The ICT budget provision for all Services is now included within Corporate and Neighbourhood Services. Appropriate governance arrangements will be put in place to allocate available funding as appropriate across all services.

4.8 **Community Trust Investment**

- 4.8.1 Responsibility for capital investment in assets operated by Falkirk Community Trust lies with the Council and a budget is included to enable priority improvements. The Trust has included capital plans within their proposed Business Plan for 2014/15 which will be considered for approval elsewhere on the agenda.

4.9 **TIF Projects**

- 4.9.1 Initial budgets are included for the range of infrastructure projects under the Scottish Government's TIF initiative. This is matched by discrete prudential borrowing and other funding streams within Reserves.

**5. PRUDENTIAL INDICATORS**

- 5.1 A series of Prudential Indicators are used to demonstrate that capital spending plans are affordable, prudent and sustainable. Appendix 2 details these indicators over the 3 year programme.

**6. CONCLUSION**

- 6.1 Despite the funding constraints, this capital investment programme will help the Council and its Services to meet Community, Corporate and Service Plan priorities and improve facilities for the Falkirk area and its community. Moreover, this injection of investment should make a significant contribution to assisting the local economy in a difficult and challenging climate.
- 6.2 The programme will be monitored and controlled closely by Finance Services in association with other Services with periodic reporting to Committee on progress.

**7. RECOMMENDATION**

- 7.1 **Members are invited to approve the General Services Capital Programme and note the Prudential Indicators.**

**Chief Finance Officer**

**Date: 28 January 2014**

### **LIST OF BACKGROUND PAPERS**

1. Scottish Government Finance Circular 6/2013

Any person wishing to inspect the above papers should telephone Falkirk (01324) 506300 and ask for Bryan Smail/Carole McGhee/Amanda Templeman.

**Falkirk Council**

**GENERAL  
CAPITAL PROGRAMME**

**2014/15 to 2016/17**

**THREE YEAR**

**INVESTMENT PLAN**

**FALKIRK COUNCIL**  
**GENERAL CAPITAL PROGRAMME**

**THREE YEAR INVESTMENT PLAN**

**2014/15 to 2016/17**

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	Central Support
	TIF

## **SECTION 1**

### **SUMMARY OF INVESTMENT PLANS**



**FALKIRK COUNCIL**

**GENERAL CAPITAL PROGRAMME**

**FUTURE INVESTMENT PLANS**

	2014/15 £000	2015/16 £000	2016/17 £000
<b><u>EXPENDITURE</u></b>			
EDUCATION SERVICES	4,713	8,425	6,150
DEVELOPMENT SERVICES	7,520	8,032	12,350
COMMUNITY TRUST	550	550	550
SOCIAL WORK SERVICES	1,814	51	51
CORPORATE & NEIGHBOURHOOD SERVICES	4,493	5,768	4,178
CENTRAL SUPPORT SERVICES	440	400	100
TIF	1,640	6,189	7,876
<b>TOTAL EXPENDITURE</b>	<b>21,170</b>	<b>29,415</b>	<b>31,255</b>
<b><u>RESOURCES</u></b>			
FALKIRK COUNCIL BORROWING	3,678	7,906	3,397
SCOTTISH GOVERNMENT GRANTS	13,548	14,500	14,380
CAPITAL RECEIPTS – PROPERTY SALES	600	550	1,200
OTHER FUNDING (Grants/ Section 75/CFCR)	2,598	1,341	5,633
BORROWING FOR TIF	746	5,118	6,645
<b>TOTAL RESOURCES</b>	<b>21,170</b>	<b>29,415</b>	<b>31,255</b>

**SECTION 2**  
**SERVICE INVESTMENT PLANS**  
**FINANCIAL**

## **FALKIRK COUNCIL**

### **GENERAL CAPITAL PROGRAMME**

#### **NOTE**

Each project in the capital programme has been allocated one of the symbols in the key below. The purpose of these symbols is to give Members additional information on the design stage and cost basis of each major project.

#### **KEY**



Feasibility/Appraisal Stage - Costs at this stage are based on broad basic unit costs based on a typical example.



Outline Design Stage – Proposals will include outline specifications and preliminary cost information and costs will be based on for example per square metre, from similar project types.



Detailed Design Stage – Proposals will include full co-ordinated designs to inform procurement/tender packages and contract construction information. Costs will be based on analysis of work packages, e.g. floors, windows, roof, earthworks, drainage etc



Tenders Received - The construction contract cost is now known. Costs can however fluctuate due to contract variations.








These budget headings represent a number of smaller projects which will be reported to Members on an aggregate basis.

**FALKIRK COUNCIL**

**GENERAL CAPITAL PROGRAMME**










**EDUCATION SERVICES**

	<b>PREVIOUS YRS SPEND £'000</b>	<b>ESTIMATED SLIPPAGE 2013/14 £'000</b>	<b>BUDGET</b>			<b>FUTURE YEARS £'000</b>	<b>PROJECT BUDGET £'000</b>	<b>PROJECT DESIGN STAGE</b>
			<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>			
<b>Major Projects</b>								
New Carrongrange Secondary School	-	-	-	6,000	4,000	-	10,000	
Antonine Primary School Extension	525	955	1,000	-	-	-	2,480	
St Joseph's Primary School Extension	47	-	645	275	-	-	967	
			1,645	6,275	4,000			
<b>Other Investments</b>								
Community Education Properties			150	150	150			
Capital Improvements – All Schools			2,000	2,000	2,000			
Expansion of Early Learning and Childcare Provision			918	-	-			
			3,068	2,150	2,150			
<b>TOTAL EDUCATION</b>			<b>4,713</b>	<b>8,425</b>	<b>6,150</b>			

**FALKIRK COUNCIL**

**GENERAL CAPITAL PROGRAMME**

**DEVELOPMENT SERVICES**

<b>ROADS &amp; TRANSPORT INVESTMENT</b>	<b>PREVIOUS YRS SPEND £'000</b>	<b>ESTIMATED SLIPPAGE 2013/14 £'000</b>	<b>BUDGET</b>			<b>FUTURE YEARS £'000</b>	<b>PROJECT BUDGET £'000</b>	<b>PROJECT DESIGN STAGE</b>
			<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>			
<b>Major Projects</b>								
River Avon Gorge Bridge	34	-	40	30	-	27,759	27,863	
Falkirk High Station Car Park	31	-	400	135	-	-	566	
Denny Eastern Access Road	184	-	-	200	4,000	2,500	6,884	
			440	365	4,000			
<b>Major Improvements &amp; Structural Works</b>								
Bridge Assessments and Strengthening			720	720	720			
Structural Works – Roads			2,650	2,650	2,650			
Structural Works – Lighting			600	600	600			
Road Safety (includes Cycling & Pedestrian schemes)			300	300	300			
Cycling, Walking, Safer Streets			240	240	240			
			4,510	4,510	4,510			
<b>Other Investments</b>								
Land Compensation			20	-	-			
<b>TOTAL ROADS &amp; TRANSPORT</b>			<b>4,970</b>	<b>4,875</b>	<b>8,510</b>			

**FALKIRK COUNCIL**

**GENERAL CAPITAL PROGRAMME**

**DEVELOPMENT SERVICES**

**FLOODING &  
ENVIRONMENTAL  
INVESTMENT**

**Major Projects**

Flood Prevention Assessment -  
Grangemouth




**Flood Prevention**

Flood Assessment & Minor Projects

**Countryside & Environmental**

Falkirk Countryside Access Strategy  
Fund

**TOTAL FLOODING &  
ENVIRONMENTAL**

PREVIOUS YRS SPEND £'000	ESTIMATED SLIPPAGE 2013/14 £'000	2014/15 £'000	BUDGET 2015/16 £'000	2016/17 £'000	FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
-	-	200	200	2,500	104,520	107,420	
		150	150	150			
		190	90	190			
		540	440	2,840			

**ECONOMIC DEVELOPMENT  
INVESTMENT**

**Major Projects**



Town Centre Regeneration – Denny  
Town Centre

**Factory Buildings and Industrial  
Estates**

Business Property Reinvestment

**TOTAL ECONOMIC  
DEVELOPMENT**



**TOTAL DEVELOPMENT  
SERVICES**

PREVIOUS YRS SPEND £'000	ESTIMATED SLIPPAGE 2013/14 £'000	2014/15 £'000	BUDGET 2015/16 £'000	2016/17 £'000	FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
1,639	511	1,410	2,717	1,000	351	7,628	
		600	-	-			
		2,010	2,717	1,000			
		7,520	8,032	12,350			




**FALKIRK COUNCIL**

**GENERAL CAPITAL PROGRAMME**

**COMMUNITY TRUST**

	PREVIOUS YRS SPEND £'000	ESTIMATED SLIPPAGE 2013/14 £'000	BUDGET			FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
			2014/15 £'000	2015/16 £'000	2016/17 £'000			
Culture & Leisure Strategy								
Culture & Leisure Strategy Fund			300	300	300			
Trust Property Investment			250	250	250			
<b>TOTAL COMMUNITY TRUST</b>			<b>550</b>	<b>550</b>	<b>550</b>			

**SOCIAL WORK SERVICES**

	PREVIOUS YRS SPEND £'000	ESTIMATED SLIPPAGE 2013/14 £'000	BUDGET			FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
			2014/15 £'000	2015/16 £'000	2016/17 £'000			
Major Projects								
Older Peoples' Accommodation	4	1,496	1,500	-	-	-	3,000	
Older People								
MECS Conversions			64	51	51			
Capital Improvements			250	-	-			
<b>TOTAL SOCIAL WORK</b>			<b>1,814</b>	<b>51</b>	<b>51</b>			

**FALKIRK COUNCIL**

**GENERAL CAPITAL PROGRAMME**

**CORPORATE & NEIGHBOURHOOD SERVICES**





	PREVIOUS YRS SPEND £'000	ESTIMATED SLIPPAGE 2013/14 £'000	2014/15 £'000	BUDGET 2015/16 £'000	2016/17 £'000	FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
<b>Major Projects</b>								
Crematorium – New Cremator	20	750	770	1,270	-	200	3,010	?
Cemeteries – Additional Interment Space	55	-	300	475	775	970	2,575	?
			1,070	1,745	775			
<b>Administrative Buildings and Equipment</b>								
Vehicle Replacement			2,375	2,375	2,375			
Corporate IT Investment (will take into account Education ICT allocation)			550	1,150	530			
			2,925	3,525	2,905			
<b>Other Local Services</b>								
Kinneil Kerse Landfill Restoration			300	300	300			
Core Parks Improvements			108	108	108			
Playparks Upgrades			90	90	90			
			498	498	498			
<b>TOTAL CORPORATE &amp; NEIGHBOURHOOD</b>			<b>4,493</b>	<b>5,768</b>	<b>4,178</b>			




**FALKIRK COUNCIL**

**GENERAL CAPITAL PROGRAMME**

**CENTRAL SUPPORT SERVICES**

	PREVIOUS YRS SPEND £'000	ESTIMATED SLIPPAGE 2013/14 £'000	BUDGET			FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
			2014/15 £'000	2015/16 £'000	2016/17 £'000			
Administrative Buildings and Equipment								
Accommodation			300	300	-			
Adaptations for the Disabled			100	100	100			
			400	400	100			
Other Local Services								
Community Safety			40	-	-			
TOTAL CENTRAL SUPPORT			440	400	100			

**TIF**

	PREVIOUS YRS SPEND £'000	ESTIMATED SLIPPAGE 2013/14 £'000	BUDGET			FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
			2014/15 £'000	2015/16 £'000	2016/17 £'000			
TIF Programme								
All Projects	2,358	-	1,640	6,189	7,876	48,977	67,040	
TOTAL TIF PROGRAMME			1,640	6,189	7,876			

**SECTION 3**  
**SERVICE INVESTMENT PLANS**  
**DESCRIPTION**

**NOTES**  
**For**  
**CAPITAL PROJECTS**

The following pages provide brief descriptions of the projects contained in the previous pages of Council Service expenditure profiles.

## **EDUCATION SERVICES**

### **CARRONGRANGE SECONDARY SCHOOL**

Additional high school facility part funded by the Scottish Futures Trust.

### **ANTONINE PRIMARY SCHOOL**

Phase 1 of the works was completed in 2013/14 and provided 3 new classrooms. Phase 2 works provides a new nursery, gym hall extension, staffroom, servery and car park extension and is due to be completed in 2014/15.

### **St JOSEPH'S PRIMARY SCHOOL**

A permanent extension to create additional classrooms, ancillary accommodation, new reception area, car park extension and provide an additional playground. This replaces previous modular accommodation.

### **COMMUNITY EDUCATION PROPERTIES**

Rolling programme provision to address essential building condition upgrades.

### **CAPITAL IMPROVEMENTS – ALL SCHOOLS**

Amalgamated rolling programme to cover school capacity/demographic pressures, asset management plans, pre five expansion, primary school hall extensions and primary school kitchen upgrades.

### **EXPANSION OF EARLY LEARNING AND CHILDCARE**

Projects will be identified to facilitate the Scottish Government's objective to expand provision of early learning and childcare hours. Detailed spending proposals will be reported to Education Executive in April 2014.

## **DEVELOPMENT SERVICES**

### **ROADS & TRANSPORT - INVESTMENT**

#### **RIVER AVON GORGE BRIDGE**

Provision towards preparation costs of a new approach road and bridge over A801 River Avon. Delivery and timing of the final scheme are subject to finalisation of a viable external funding package.

#### **FALKIRK HIGH STATION CAR PARK**

Construction of additional car parking at Slammanan Road for Falkirk High Station. Development Services have applied for grant funding from the Scottish Government Rail Investment Fund to support this project.

#### **DENNY EASTERN ACCESS ROAD**

Construction of a south eastern bypass of Denny connection Broad Street to Glasgow Road. The DEAR will alleviate problems at Denny Cross. Delivery and timing of the scheme is subject to substantial funding from local house building developer contributions.

#### **BRIDGE ASSESSMENTS AND STRENGTHENING**

The continuing programme of strengthening bridges and other structures in the Council's road network where this has been identified as being necessary through the assessment programme and annual bridge inspection regime.

#### **STRUCTURAL MAINTENANCE – ROADS**

The rolling programme of structural maintenance of roads and footways throughout the Council area including the reconstruction of roads and other remedial works.

#### **STRUCTURAL MAINTENANCE – LIGHTING**

Continuing programme of replacing street lighting columns that are life expired and the upgrading of existing street lighting across the Council area.

#### **ROAD SAFETY**

Rolling programme provision for schemes which have been identified through route accident reduction plans, other accident analyses and surveys carried out on routes to school. The programme also covers the continued progression of cycling facilities throughout the Council area.

#### **CYCLING, WALKING, SAFER STREETS**

Scottish Government ring-fenced grant for projects to improve safer routes to schools, cycling and walking facilities.

#### **LAND COMPENSATION**

A budget to cover the Council's statutory duty to compensate property owners for loss of property value arising from transport projects and to install noise insulation at properties where the noise exceeds set statutory limits due to the opening of the transport project.

## **DEVELOPMENT SERVICES – (Continued)**

### **FLOODING & ENVIRONMENTAL - INVESTMENT**

#### **FLOOD ASSESSMENT & MINOR PROJECTS**

Annual provision to assess flood risk and implement minor works to protect our communities.

#### **FLOOD PREVENTION SCHEME – GRANGEMOUTH**

The implementation of alleviation works to mitigate local flood damage to property and businesses in the Grangemouth area. This project is part funded through the TIF programme and part Government grant funded.

#### **FALKIRK COUNTRYSIDE ACCESS STRATEGY FUND**

Part of our statutory duty to prepare a core paths plan and manage the access network.

### **ECONOMIC DEVELOPMENT - INVESTMENT**

#### **DENNY TOWN CENTRE REGENERATION**

Implementation of Falkirk Council's scheme for Denny Town Centre Regeneration, including a new library, quality retail units and demolition of derelict and not fit for purpose housing blocks.

#### **BUSINESS PROPERTY REINVESTMENT – FUTURE PROJECTS**

Continued investment in the development of the Council's business property portfolio in line with the approved Business Property Reinvestment Strategy. Investment is dependent on capital receipts from previous developments including the Abbotsford Business Park

## **COMMUNITY TRUST**

### **FUTURE LEISURE STRATEGY FUND**

This allocation will be used to support investment in a range of Culture and Leisure projects designed to maintain or improve current facilities.

### **TRUST PROPERTY INVESTMENT**

A programme to support investment in Trust buildings.

## **SOCIAL WORK SERVICES**

### **OLDER PEOPLES' ACCOMMODATION**

Funding to continue residential care home upgrades. An options appraisal exercise is currently being undertaken by Hubco to allow a strategic review of residential care provision across the authority.

### **MECS CONVERSIONS**

Ongoing programme of upgrading MECS stock and purchase of additional units.

### **CAPITAL IMPROVEMENTS**

Ongoing programme to support investment in various Social Work projects.

## **CORPORATE & NEIGHBOURHOOD SERVICES**

### **CREMATORIUM - NEW CREMATORS**

Replacement of three cremators at Falkirk Crematorium and substantial investment in upgrading the facilities. This work will be necessary to meet new statutory mercury emissions.

### **CEMETERIES – ADDITIONAL INTERMENT SPACE**

A project to address the anticipated lack of cemetery capacity in a number of burial grounds.

### **VEHICLE REPLACEMENT**

Rolling programme provision of replacement of Council's operational vehicles.

### **CORPORATE IT INVESTMENT**

Replacement of Corporate file servers and other investment needs to maintain the Council's IT services. This provision will be considered alongside Education ICT investment.

### **KINNEIL KERSE LANDFILL RESTORATION**

Continuation of required investment programme for restoration of the Kinneil Kerse landfill site.

### **CORE PARKS IMPROVEMENTS**

A rolling programme to further develop and implement improvements to the Council's seven core parks.

### **PLAYPARKS UPGRADES**

Provision for ongoing upgrade to play equipment in local playparks in line with the Parks Development Plan.

## **CENTRAL SUPPORT SERVICES**

### **ACCOMMODATION**

Provision towards improvements to Council's operational properties. The main provision will be towards essential works to ensure the Municipal Buildings remains operational pending a longer term solution.

### **ADAPTIONS FOR THE DISABLED**

Provision to ensure reasonable access to our buildings for people with a disability.

### **COMMUNITY SAFETY**

Provision to allow Falkirk Council to respond where there is a danger to the public.

## **TIF**

### **TIF PROGRAMME**

Includes a number of projects such as the Grangemouth flood defences, M9 junction upgrades and other infrastructure.

**FALKIRK COUNCIL**  
**PRUDENTIAL CODE INDICATORS**  
**[including TIF but excluding HRA]**

PRUDENTIAL INDICATOR		2014/15	2015/16	2016/17	COMMENTS
1.	Ratio of Financing Costs to Net Revenue Stream	5%	5%	5%	Shows how much of the Council's income is committed to repaying debt arising from capital investment.
2.	Incremental Impact of Capital Expenditure on Council Tax	£4.63	£1.58	£9.88	Affordability Indicator showing implications of capital expenditure and its financing on the "bottom-line". This indicator now takes into account all revenue consequences of capital. As such, the impact is already built into the proposed revenue budget.
3.	Gross Borrowing	£'m	£'m	£'m	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 Reporting Standards (IFRS).
	Gross External Borrowing	258.7	276.2	290.3	
	Accounting Adjustment – Finance Lease Liabilities	<u>120.6</u>	<u>115.4</u>	<u>109.8</u>	
		<u>379.3</u>	<u>391.6</u>	<u>400.1</u>	
	Capital Financing Requirement (includes HRA)	306.3	323.9	338.3	
	Accounting Adjustment – Finance Lease Liabilities	<u>125.1</u>	<u>120.5</u>	<u>115.3</u>	
		<u>431.4</u>	<u>444.4</u>	<u>453.6</u>	



PRUDENTIAL INDICATOR		2014/15	2015/16	2016/17	COMMENTS
4.	Capital Expenditure	£'m 21.2	£'m 29.4	£'m 31.3	Simply the planned capital expenditure per the appended Capital Programme (including TIF).
5.	Capital Financing Requirement (General Fund only)	£'m 307.9	£'m 307.0	£'m 301.9	The Capital Financing Requirement reflects the underlying need to borrow for Capital Investment.
6.	Authorised Limit (AL) for External Debt:-  Borrowing Accounting Adjustment - Finance Lease Liabilities	£'m  279.4  <u>120.6</u> <u>400.0</u>	£'m  294.6  <u>115.4</u> <u>410.0</u>	£'m  310.2  <u>109.8</u> <u>420.0</u>	This sets the maximum level of External Debt, based on capital investment plans and allowing some headroom over the Operational Boundary (see 7) for exceptional circumstances. It should be noted that the sums included as “Accounting Adjustment - Finance Lease Liabilities” are not an increase in the debt limits they are merely a presentational change as a result of the requirements to report under International Financial Reporting Standards (IFRS).
7.	Operational Boundary (OB) for External Debt:-  Borrowing Accounting Adjustment – Finance Lease Liabilities	£'m  274.4  <u>120.6</u> <u>395.0</u>	£'m  289.6  <u>115.4</u> <u>405.0</u>	£'m  305.2  <u>109.8</u> <u>415.0</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. It should be noted that the sums included as “Accounting Adjustment – Finance Lease Liabilities” are not an increase in External Debt, they are merely a presentational change as a result of the requirement to report under International Financial Reporting Standards (IFRS).
8.	Actual External Debt	£'m  <u>N/A</u>			This is an actual rather than estimated Indicator and will be reported when outturns become available.
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.

