

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: a saltire, top-right: a stag's head, bottom-left: a ship, bottom-right: an eagle), and a motto scroll at the bottom.

Agenda Item 4

**Three Year General Capital
Programme 2017/18 – 2019/20**

Falkirk Council

Title: Three Year General Capital Programme 2017/18 – 2019/20

Meeting: Falkirk Council

Date: 22 February 2017

Submitted By: Director of Corporate & Housing Services

1. Purpose of Report

- 1.1 The purpose of this report is to 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 c£87m over 3 years including the Tax Increment Financing (TIF) scheme.
- 1.2 The investments are based on an estimated level of resources as outlined in Section 4 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 details investment over the next 3 years, there are certain projects that extend beyond this timeframe e.g. TIF, Grangemouth Flood Prevention Scheme.

2. Recommendations:

- 2.1 **Members are invited to approve the General Services Capital Programme as presented.**
- 2.2 **Members are invited to determine how the additional Scottish Government general capital grant of £0.75m is to be applied.**
- 2.3 **Note the Prudential Indicators.**

3. Background

- 3.1 Capital bid 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 agreed in the Single Outcome Agreement, in addition to the statutory requirements of the Service, together with the risks and asset management implications of each project. The priorities captured in future capital budget bid sheets will reflect those in the Strategic Outcomes and Local Delivery Plan (SOLD) 2016-2020. The on-going Strategic Property Review was also factored into the assessment process.

4. Considerations

4.1 Resources

4.1.1 Overall resources available for the 3 years total c£87m as detailed below:

Resources	£'m
Prudential Borrowing	1.0
Scottish Government Grant	52.8
Capital Receipts	6.6
Other Funding (Planning Obligations etc.)	3.9
Prudential Borrowing/CFCR for TIF Projects	23.2
Total Resources	87.5

- 4.1.2 The resources in this programme reflect the challenging economic climate. The revenue budget is under severe pressure with a c£40m gap over 2017/18 and 2018/19. The consequences of capital investment ultimately flow through to the revenue budget in the form of loan charges and running costs. As the Council seeks to identify savings in revenue budgets to bridge the budget gap, it is imperative that the capital programme is also critically reviewed to reduce the impact on the revenue budget.
- 4.1.3 Given the revenue budget pressures, borrowing in the draft programme has been restricted. Consequently the net borrowing for the draft programme equates to c£1.0m (excluding TIF). This net figure comprises borrowing of £1.8m in year 1 in relation to the ASN school, offset by a debt repayment of £0.8m in year 2 as previously approved by Members in February 2016.
- 4.1.4 The 2017/18 general capital grant announced by the Scottish Government does not include the 2016/17 re-profiling adjustment of £150m across all Councils. Falkirk Council's share of this is c£2.6m and the Scottish Government has advised that this will be repaid in the next settlement period 2018-20.
- 4.1.5 The 2017/18 general capital grant settlement has now been confirmed at £17.5m. In comparison to the 2016/17 grant, and after amending for the re-profiling adjustment, this is an increase of c£1.1m. The grant figures for 2018/19 and 2019/20 have been estimated with £2.6m built in over 2018-20 for the 2016/17 re-profiling adjustment. It should be noted that £0.75m of the £1.1m increase in the 2017/18 grant was notified to the Council extremely late in the process. Given the magnitude of the sums involved and the timing of notification, options for its application will be considered at this budget meeting. Paragraph 4.5 outlines options available to Members.
- 4.1.6 Given the revenue budget position as noted above, an exercise was undertaken to determine to what extent revenue spend could be transferred to capital. This can only be done where the strict criteria for the definition of capital applies. This exercise has identified £2.5m of spend for Roads, Bridges, Street Lighting and Waste Bins which can be reclassified as capital expenditure. Consequently £2.5m has been built into each year of the draft programme. This is to be funded from the general capital grant.

- 4.1.7 The Revenue Budget Report which is a separate agenda item at this meeting, refers to the proposal for the replacement of reserve contributions with capital funding in order to reduce the budget gap. The total value of reserve contributions that have been replaced, based on this assumption, is c£2.8m and the capital funding utilised is the general capital grant.
- 4.1.8 The general capital grant figures noted in paragraph 4.1.5 include grant of £3.6m for the Grangemouth Flood Prevention Scheme. This is based on 80% funding of eligible costs.
- 4.1.9 Capital receipts reflect current market conditions and the likely impact on our ability to generate additional resources to fund the programme. The anticipated receipts include the sale of surplus property assets such as the site at Seabegs Road. Also included are property disposals in respect of Falkirk High School, Torwood School and Abbots Road Nursery. Across the three years of the programme, capital receipts of £6.6m are included with £0.8m being used to repay Loans Fund debt as previously approved by Members (see paragraph 4.1.3).
- 4.1.10 Other Funding consists of known planning obligations from Developers and in particular the contribution towards DEAR (£3.4m).
- 4.1.11 Prudential Borrowing for projects included in the Tax Increment Financing (TIF) Scheme has been shown separately given both its scale and unique nature. In addition to borrowing of £21.8m, the TIF projects are also funded from Non-Domestic Rates Income (NDRI) of £1.4m. The TIF project is dependent on additional NDRI being generated to fund the debt charges associated with the infrastructure investment being undertaken.

4.2 SERVICE INVESTMENT

- 4.2.1 The 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 current financial year. Members previously agreed that a number of projects would be re-scheduled to future years e.g. Older Peoples Accommodation, Bainsford Day Centre etc. The value of these re-scheduled projects will also be added to the approved 2017/18 – 2019/20 Capital Programme as appropriate.
- 4.2.2 The format of the budget provides 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 of each project. The combined value of estimated slippage for 2016/17 and rescheduled projects in relation to major stand-alone projects have been shown separately in Appendix 1.
- 4.2.3 The following paragraphs give an overview of the most significant Service projects.

4.2.4 Children's Services

- 4.2.4.1 Investment continues to be made to properties across the school estate with the remaining work being carried out on the new ASN School which is scheduled to complete in 2017/18. The overall cost of the project is c£18m with Scottish Government grant funding of c£9.0m. All grant funding will be paid in 2016/17.
- 4.2.4.2 The draft programme also includes £1.2m for the extension at Kinnaird Primary School in 2017/18. This will be supplemented by a further £1.4m carried forward from the Early Years budget within Children's Services and overall £2.6m will be available to fund phase I of the Kinnaird Primary School extension. Also included within the draft programme is phase II works at a cost of £0.5m. The extension at Maddiston Primary School has also been provided for in the draft programme at a cost of £1.2m.
- 4.2.4.3 Rolling Programmes of £5.7m will continue to fund general property improvements to address condition surveys, capacity issues for all schools and any essential upgrades to Community Education properties.

4.2.5 Development Services

- 4.2.5.1 Roads projects include provision for structural works on the Council's roads network along with continued investment in Bridge Strengthening and Lighting upgrades (£23.3m). Note that this includes c£7.0m of expenditure reclassified from revenue to capital as detailed in paragraph 4.1.6.
- 4.2.5.2 Provision has been made for a new roundabout at Snab Brae, Bo'ness which will now commence in 2019/20.
- 4.2.5.3 The Denny Eastern Access Road is predicated principally on attracting developer contributions. Construction of the first phase is currently underway and is being carried out by Avant Homes (formerly Bett Homes), through Section 75 commitments undertaken as a planning obligation.
- 4.2.5.4 The draft programme includes £4.5m for the Grangemouth Flood Prevention Scheme. Preliminary works have commenced (£1.9m forecast up to 31 March 2017) with the major project spend of £105.1m extending beyond 2019/20. The total project spend is c£111m which assumes substantial Council funding (c£12m) and Scottish Government grant (c£89m) together with TIF funding of c£10m. It should be noted that this funding requirement is set against a background of severe revenue budget pressure and restricted government funding.
- 4.2.5.5 Provision is made under the Economic Development Programme for the continuing regeneration works in Denny Town Centre (£0.4m).
- 4.2.5.6 Provision is made for the completion of the upgrade works at the Crematorium (£0.5m). The bulk of the works were anticipated to be completed in 2016/17 however works only commenced in earnest in January 2017 following tender acceptance, consequently the majority of the works has been rescheduled to 2017/18. The programme also allows for the cost of cemetery development works

of £1.1m, including additional interment space, spread throughout the three years of the programme.

4.2.5.7 The rolling programme for the replacement of the Council's operational vehicles is also included within the programme (£5.9m).

4.2.5.8 Budgets are also included for upgrades to the Council's core parks and playparks.

4.2.6 Adult Services (Social Work)

4.2.6.1 The Social Work programme includes the replacement of MECS equipment. The budgets for Older Peoples Accommodation and the refurbishment of Bainsford Day Centre have been approved by Members as part of previous budget deliberations and have been rescheduled to 2017/18. Budgets for these two projects will therefore be added to the approved 2017/18 - 2019/20 programme as appropriate. However, it should be noted that the refurbishment of Bainsford Day Centre will be considered as part of the Strategic Property Review.

4.2.7 Corporate & Housing Services

4.2.7.1 There is provision for a number of business transformation enabling projects geared to the Council of the Future agenda, most notably the continuing implementation of Mobile and Flexible Working Solution (£0.2m), with a roll out to schools and Education establishments within Children's Services (£0.3m). The programme also provides for Digital Strategy Delivery (£0.3m) which is required to ensure that we continue to move forward as a digitally focused Council. Property upgrades for West and Central Advice Hubs are also included (£0.4m), the East Hub having already been set up as a pilot scheme for service delivery. There is also provision in the programme for upgrade works at Castings Hostel (£0.6m).

4.2.8 Community Trust Investment

4.2.8.1 Responsibility for capital investment in assets operated by Falkirk Community Trust lies with the Council and a rolling programme budget is included to fund some priority improvements (c£1.7m). Details of the individual projects are noted within the Trust Business Plan shown within this Budget booklet.

4.2.9 TIF Projects

4.2.9.1 Budgets are included for the range of infrastructure projects under the Scottish Government's TIF initiative. This is matched by discrete prudential borrowing and NDR receipts. TIF will deliver £67m of infrastructure spend over the life of the scheme but the profile of spend will undoubtedly change over time given the need to attract business/development to realise NDR receipts. The scheme includes a number of projects such as the Westfield Roundabout, Junction 5 (Phase 1 and 2), Junction 6, Enabling Works and the Grangemouth Flood Prevention Scheme. For completeness, the TIF initiative has been included in this report. However, as previously advised to Members, progress on TIF will be reported separately to Members by Development Services and as such a progress report was taken to the Executive on 21 February 2017.

4.3 Strategic Property Review

4.3.1 The aim of the Strategic Property Review is to analyse the current number of Council property assets against collective Service needs. Thereafter, options for rationalisation, disposal and reinvestment are to be considered by Officers and Members. A report was submitted to Council on 19 December 2016 outlining the progress of the review.

4.3.2 There were a number of additional property related bids which based on the process for ranking bids, would normally be included in the draft programme. Details are as follows:

Service	Project	£'m
Children's Services	Sealock House	0.137
Children's Services	CLD Rolling Programmes	0.135
Children's Services	Camelon Education Centre	1.110
Children's Services	Upgrade of former Social Work Properties	0.450
Development Services	Arnotdale House Phase II Refurbishment	0.220
	Unallocated Provision	0.135
	Total Provisional Allocation	2.187

4.3.3 Whilst the Strategic Property Review is work in progress, it would be inappropriate to allocate additional funding to these specific projects until decisions are taken as to which Council properties are to be retained for reinvestment. Consequently, a generic budget has been set aside under the heading of "Strategic Property Review" until such time as these decisions are made. The total value of the generic budget is c£2.2m.

4.4 Slippage Allowance

4.4.1 A slippage allowance of £1m has been built into 2017/18. This is consistent with the approach we have taken in the current 2016/17 - 2018/19 programme. The inclusion of this allowance has allowed key standalone projects in 2017/18 which didn't make the cut, to be included in the programme.

4.5 Additional General Capital Grant of £0.75m – Options

4.5.1 As stated in paragraph 4.1.5, Scottish Government allocated a further £0.75m of general capital grant. This additional funding was advised very late in the budget process to the extent that consideration of its application has been deferred until the Council Budget meeting today. There are a number of areas that could be considered for application of this additional funding, details are as follows:

- Strategic Property Review
- Trust Operational Facilities
- Acceleration of Projects
- Reduce Prudential Borrowing included in Draft Programme

Each of these options are considered further in the following paragraphs.

4.5.2 Strategic Property Review (SPR)

The SPR is a work in progress and the outcome of the review will recommend what properties are to be disposed of and which are to be retained for reinvestment. The draft programme includes a generic budget of £2.2m to be allocated once the review is complete. The additional capital grant could supplement this budget.

4.5.3 Trust Operational Facilities

The Trust has for a number of years, submitted bids in relation to backlog investment on the basis that lack of investment has had a detrimental impact on the ability to generate income. This additional funding, at least in part, could be allocated to Trust operational facilities. However a prioritised list agreed with Development Services linked to the SPR would need to be prepared.

4.5.4 Acceleration of Projects - £0.505m

By accelerating projects from years 2/3 of the draft capital programme, this frees up allocated resources in years 2/3 which can be considered as part of the 2018/19 – 2020/21 Capital Bid process. The following projects could be accelerated from 2018/19 to 2017/18:

- £0.180m for part of phase II of the Kinnaird Primary School extension (internal alterations).
- £0.200m for modular units to ease capacity issues.
- £0.050m for resurfacing works at Larbert Village Primary School.
- £0.075m for WiFi upgrades across the school estate.

4.5.5 Reduce Prudential Borrowing

The draft programme includes £1.8m of borrowing in respect of the ASN School. If the additional grant was utilised to reduce this level of borrowing by £0.75m, there would be an annual reduction in loan charges of c£0.045m.

4.5.6 The £0.75m additional grant could be allocated to any of the options in isolation or a combination of all options.

4.6 Prudential Indicators

4.6.1 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.

5. Consultation

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

6. Implications

Financial

- 6.1 The approved General Capital programme will be adjusted to reflect the value of slippage at 31 March 2017 and also those projects which have previously been rescheduled, together with decisions on the £0.75m additional grant.

Resources

- 6.2 The implications for the Revenue Budget have been highlighted.

Legal

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

Risk

- 6.4.1 There is a risk that the cost of the major stand-alone projects which have slipped or been rescheduled may increase because of construction inflation.
- 6.4.2 There is a risk that the Scottish Government General Capital Grant included in the programme for 2018/19 and 2019/20, will be less than estimated and therefore that the number of projects included may have to be reduced.

Equalities

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

Sustainability/Environmental Impact

- 6.6 A sustainable assessment was not required.

7. CONCLUSION

- 7.1 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.
- 7.2 The programme will be monitored and controlled closely by Finance Services in association with other Services with periodic reporting to Committee on progress.

DIRECTOR OF CORPORATE & HOUSING SERVICES

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Date: 13 February 2017

Appendices

Appendix 1 – General Capital Programme 2017/18 – 2019/20
Appendix 2 – 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:

1. Scottish Government Finance Circular 9/2016

Falkirk Council

GENERAL CAPITAL PROGRAMME

2017/18 to 2019/20

THREE YEAR

INVESTMENT PLAN

FALKIRK COUNCIL
GENERAL CAPITAL PROGRAMME

THREE YEAR INVESTMENT PLAN

2017/18 to 2019/20

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SECTION 1

SUMMARY OF INVESTMENT PLANS

FALKIRK COUNCIL

GENERAL CAPITAL PROGRAMME

FUTURE INVESTMENT PLANS

	2017/18 £000	2018/19 £000	2019/20 £000	Total £000
<u>EXPENDITURE</u>				
CHILDREN'S SERVICES	6,974	2,405	3,342	12,721
DEVELOPMENT SERVICES	14,295	14,353	13,922	42,570
ADULT SERVICES (SOCIAL WORK)	51	51	51	153
CORPORATE & HOUSING SERVICES	3,038	2,592	1,838	7,468
COMMUNITY TRUST	520	620	550	1,690
TIF	5,640	9,525	7,983	23,148
SLIPPAGE ALLOWANCE	(1,000)	-	-	(1,000)
TOTAL EXPENDITURE (INCLUDING TIF)	29,518	29,546	27,686	86,750
<u>RESOURCES</u>				
FALKIRK COUNCIL BORROWING	1,837	(850)	-	987
SCOTTISH GOVERNMENT GRANTS	17,727	18,136	16,928	52,791
CAPITAL RECEIPTS – PROPERTY SALES	3,970	1,530	1,130	6,630
OTHER FUNDING (Grants/ Section 75/CFCR)	1,094	1,205	1,645	3,944
TOTAL RESOURCES (EXCLUDING TIF)	24,628	20,021	19,703	64,352
TIF RESOURCES				
Borrowing	4,786	9,006	7,983	21,775
CFCR	854	519	-	1,373
TOTAL RESOURCES (INCLUDING TIF)	30,268	29,546	27,686	87,500
BALANCE OF SCOTTISH GOVT GRANT AVAILABLE	750	-	-	750

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









CHILDREN'S SERVICES

	TOTAL FORECAST SPEND TO 31/03/17 £'000	ESTIMATED SLIPPAGE / RESCHEDULED FROM 2016/17 £'000	BUDGET	FUTURE YEARS	PROJECT BUDGET	PROJECT DESIGN STAGE
			2017/18 £'000	2018/19 £'000	2019/20 £'000	£'000
Major Projects						
New ASN Secondary School	11,639	2,422	3,673	-	-	-
Kinnaird Primary School Extension Phase I	-	1,400	1,177	-	-	-
Kinnaird Primary School Extension Phase II			-	180	320	-
Maddiston Primary School Extension Phase I			-	-	1,222	-
			4,850	180	1,542	-
Other Investments						
Community Education Properties			125	155	-	-
Capital Improvements – All Schools			1,635	2,020	1,800	-
St Mungo's & Larbert HS increased Capacity			324	-	-	-
Larbert Village Primary School			-	50	-	-
Changing Facilities Older Children			40	-	-	-
			2,124	2,225	1,800	-
TOTAL CHILDREN'S SERVICES			6,974	2,405	3,342	

FALKIRK COUNCIL

GENERAL CAPITAL PROGRAMME






DEVELOPMENT SERVICES

ROADS & TRANSPORT	TOTAL FORECAST SPEND TO 31/03/17 £'000	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2016/17 £'000	BUDGET			FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
			2017/18 £'000	2018/19 £'000	2019/20 £'000			
Major Projects								
C116 Waterslap Rd, Carronshore	-	-	-	-	158	1,467	1,625	
Denny Eastern Access Road	1,680	-	810	1,145	1,450	2,180	7,265	
A904/A993 Snab Brae, Bo'ness	-	-	-	-	80	1,000	1,080	
			810	1,145	1,688			
Major Improvements & Structural Works								
Bridge Assessments and Strengthening			680	810	720			
Structural Works – Roads			4,482	4,954	4,620			
Structural Works – Lighting			570	670	600			
Road Safety (includes Cycling & Pedestrian schemes)			280	340	300			
Cycling, Walking, Safer Streets			217	217	217			
			6,229	6,991	6,457			
TOTAL ROADS & TRANSPORT			7,039	8,136	8,145			

FALKIRK COUNCIL

GENERAL CAPITAL PROGRAMME




DEVELOPMENT SERVICES

FLOODING & ENVIRONMENTAL	TOTAL FORECAST SPEND TO 31/03/17 £'000	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2016/17 £'000	2017/18 £'000	BUDGET 2018/19 £'000	2019/20 £'000	FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
Major Projects								
Flood Prevention								
Assessment - Grangemouth	1,864	-	1,722	1,360	1,440	105,064	111,450	
Flood Prevention								
Flood Assessment & Minor Projects			140	170	150			
Countryside & Environmental Major Projects								
Kinneil Kerse Landfill Restoration			200	300	300			
Other Investments								
Falkirk Countryside Access Strategy Fund			40	40	40			
Bo'ness Harbour			100	100	100			
TOTAL FLOODING & ENVIRONMENTAL			2,202	1,970	2,030			

FALKIRK COUNCIL

GENERAL CAPITAL PROGRAMME










DEVELOPMENT SERVICES

ECONOMIC DEVELOPMENT	TOTAL FORECAST SPEND TO 31/03/17 £'000	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2016/17 £'000	BUDGET	FUTURE YEARS	PROJECT BUDGET	PROJECT DESIGN STAGE
			2017/18 £'000	2018/19 £'000	2019/20 £'000	£'000
Major Projects						
Town Centre Regeneration –						
Denny Town Centre	6,540	571	410	-	-	
Falkirk THI- Public Realm			624	-	-	
Factory Buildings and Industrial Estates						
Business Property						
Reinvestment			1,000	1,000	1,000	
TOTAL ECONOMIC DEVELOPMENT			2,034	1,000	1,000	

FALKIRK COUNCIL

GENERAL CAPITAL PROGRAMME




DEVELOPMENT SERVICES

OPERATIONAL SERVICES	TOTAL FORECAST SPEND TO 31/03/17 £'000	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2016/17 £'000	BUDGET			FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
			2017/18 £'000	2018/19 £'000	2019/20 £'000			
Major Projects								
Crematorium – Upgrading Works	1,165	2,145	98	-	-	-	3,408	
Crematorium – External Works			150	150	150			
Cemeteries Development	661	344	200	550	320	620	2,695	
			448	700	470			
Vehicle Replacement Programme								
Vehicle Replacement			2,005	2,070	1,800			
Other Local Services								
Core Parks Improvements			97	97	97			
Playparks Upgrades			90	90	90			
Kinneil House – Walled Garden			90	-	-			
Cemeteries – Stabilisation Works			60	60	60			
Waste Containers			230	230	230			
			567	477	477			
TOTAL OPERATIONAL SERVICES			3,020	3,247	2,747			
TOTAL DEVELOPMENT SERVICES			14,295	14,353	13,922			









FALKIRK COUNCIL






GENERAL CAPITAL PROGRAMME

ADULT SERVICES (SOCIAL WORK)

	TOTAL FORECAST SPEND TO 31/03/17 £'000	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2016/17 £'000	2017/18 £'000	BUDGET 2018/19 £'000	2019/20 £'000	FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
Major Projects								
Older Peoples Accommodation	-	3,654	-	-	-	-	3,654	
Bainsford Day Centre Refurbishment		1,686	-	-	-	-	1,686	
Older People								
MECS Conversions			-	-	-			
			51	51	51			
TOTAL ADULT SERVICES			51	51	51			

FALKIRK COUNCIL
GENERAL CAPITAL PROGRAMME
CORPORATE & HOUSING SERVICES





	TOTAL FORECAST SPEND TO 31/03/17 £'000	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2016/17 £'000	2017/18 £'000	BUDGET 2018/19 £'000	2019/20 £'000	FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
Corporate IT Investment – Major Projects								
Implementation of Mobile & Flexible Solution	1,650	-	200	-	-	-	1,850	
Thin Client Boxes			58	-	-			
Corporate IT Investment – Other								
Information Management System			50	-	-			
Replacement of Application Servers			90	90	90			
Replacement of E-Mail System			50	-	-			
Replacement of Window Servers			70	60	-			
Extension of Existing I.T. Backup			50	50	50			
Remote Desktop Service Access			60	60	60			
Contact Centre Upgrade Module			135	-	-			
Telephony System			126	-	-			
Installation of WiFi in Council Offices			80	-	-			
Follow Me Printing			140	-	-			
Offsite Business Continuity Plan			125	-	-			
Digital Strategy Delivery			100	100	100			

	TOTAL FORECAST SPEND TO 31/03/17 £'000	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2016/17 £'000	2017/18 £'000	BUDGET 2018/19 £'000	2019/20 £'000	FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
Business Continuity for Firmstep Platform			30	-	-			
Other Services' IT Requirements								
MECS Control Room Equipment			68	-	-			
Purchase of New Information System (SWIS)			100	-	-			
Mobile Devices to Use with SWIS			10	10	-			
Social Work Integration – I.T Portal			173	-	-			
New ASN School I.T Equipment			100	-	-			
Refresh PC Estate in Schools/Nurseries			100	100	100			
EES Software			83	83	83			
Online School Payments for Catering Units			25	-	-			
Online School Payments			50	40	40			
Replacement of Secondary School Server			100	50	-			
WiFi Infrastructure Nurseries & Special Schools			30	30	30			
WiFi Upgrades Across Schools			-	75	-			
Mobile & Flexible Working Solution – Roll out to Schools			300	-	-			
TOTAL CORPORATE IT			2,503	748	553			

Corporate & Housing
West & Central Advice Hubs
Castings Hostel

Central Support –
Accommodation Investment
Strategic Property Review


**TOTAL CORPORATE &
HOUSING**

TOTAL FORECAST SPEND TO 31/03/17 £'000	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2016/17 £'000	2017/18 £'000	BUDGET 2018/19 £'000	2019/20 £'000	FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
		385	-	-			
		-	642	-			
		150	150	150			
		-	1,052	1,135			
		3,038	2,592	1,838			

FALKIRK COUNCIL

GENERAL CAPITAL PROGRAMME







COMMUNITY TRUST

	TOTAL FORECAST SPEND TO 31/03/17 £'000	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2016/17 £'000	BUDGET			FUTURE YEARS	PROJECT BUDGET	PROJECT DESIGN STAGE
			2017/18 £'000	2018/19 £'000	2019/20 £'000	£'000	£'000	
Culture & Leisure Strategy			520	620	550			
TOTAL COMMUNITY TRUST			520	620	550			
TOTAL GENERAL PROGRAMME (excluding TIF)			24,878	20,021	19,703			
Slippage Allowance			(1,000)	-	-			
TOTAL GENERAL PROGRAMME (excluding TIF)			23,878	20,021	19,703			

FALKIRK COUNCIL

GENERAL CAPITAL PROGRAMME

TIF PROGRAMME

	TOTAL FORECAST SPEND TO 31/03/17 £'000	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2016/17 £'000	BUDGET			FUTURE YEARS	PROJECT BUDGET	PROJECT DESIGN STAGE
			2017/18 £'000	2018/19 £'000	2019/20 £'000	£'000	£'000	
A801 Avon Gorge	-	-	-	-	-	9,682	9,682	
Ice House Brae – Laurieston Road	-	-	-	-	-	3,629	3,629	
Enabling Works	1,323	-	3,070	4,000	1,000	7,235	16,628	
Westfield Roundabout	61	-	-	5,525	4,800	9,029	19,415	
Grangemouth Flood Prevention Scheme			270	-	-	9,730	10,000	
Junction 6 M9	2,460	-	-	-	-	-	2,460	
Junction 5 M9 (Phase 1 & 2)	700	-	2,300	-	2,183	43	5,226	
* TIF - All Projects	4,544		5,640	9,525	7,983	39,348	67,040	
TOTAL GENERAL PROGRAMME (INCLUDING TIF)			29,518	29,546	27,686			

* Consideration and potential variation to the TIF budget will be the subject of a future reports to the Executive by Development Services.

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.

CHILDREN'S SERVICES

NEW ASN SECONDARY SCHOOL

Additional high school facility 50% funded by the Scottish Government Grant.

KINNAIRD PRIMARY SCHOOL

Extension to existing school to alleviate capacity issues.

MADDISTON PRIMARY SCHOOL

Extension to existing school to alleviate capacity issues.

COMMUNITY LEARNING & DEVELOPMENT (CLD)

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.

ST MUNGO'S & LARBERT HIGH SCHOOL INCREASED CAPACITY

Internal alterations to reconfigure the existing spaced to create more capacity.

LARBERT VILLAGE PRIMARY SCHOOL

Resurfacing Works.

CHANGING FACILITIES – OLDER CHILDREN

Provision of changing facilities for Older Children

DEVELOPMENT SERVICES

ROADS & TRANSPORT

C116, WATERSLAP ROAD, CARRONSHORE

The realignment of the C116, Cuttyfield Bend, to comply with current design standards.

DENNY EASTERN ACCESS ROAD (DEAR)

Construction of a south eastern bypass of Denny connecting 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 planning obligations.

SNAB BRAE, BO'NESS ROUNDABOUT

To improve the current priority junction of the A904/A993 with a 50m diameter roundabout as identified through accident clusters report.

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 (INCLUDES CYCLING & PEDESTRIAN SCHEMES)

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.

DEVELOPMENT SERVICES – (Continued)

FLOODING & ENVIRONMENTAL

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.

FLOOD ASSESSMENT & MINOR PROJECTS

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

KINNEIL KERSE LANDFILL RESTORATION

Required investment programme for restoration of the Kinneil Kerse landfill site.

FALKIRK COUNTRYSIDE ACCESS STRATEGY FUND

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

BO'NESS HARBOUR

To repair inner and outer harbour walls.

ECONOMIC DEVELOPMENT

DENNY TOWN CENTRE REGENERATION

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.

FALKIRK THI

Public Realm Works within Falkirk Town Centre

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 dependant on capital receipts from previous developments including the Abbotsford Business Park

DEVELOPMENT SERVICES – (Continued)

OPERATIONAL SERVICES

CREMATORIUM - NEW CREMATORS AND BUILDING WORKS

Replacement of 3 cremators at Falkirk Crematorium and substantial investment in upgrading the facilities. This work will be necessary to meet new statutory mercury emissions.

CREMATORIUM – EXTERNAL WORKS

Upgrading of crematorium grounds and creation of memorial gardens.

CEMETERIES DEVELOPMENT

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.

CORE PARKS IMPROVEMENTS

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

PLAYPARKS UPGRADES

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

KINNEIL HOUSE – WALLED GARDEN

Reconstruction of damaged wall at Kinneil House

CEMETERIES –STABILISATION WORKS

Stabilisation of headstones and related works

WASTE STRATEGY

To purchase waste containers for new issue and replacements.

ADULT SERVICES (SOCIAL WORK)

MECS CONVERSIONS

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

CORPORATE & HOUSING SERVICES

CORPORATE IT INVESTMENT

Replacement of Corporate file servers and other investment needs to maintain the Council's IT services. This will include the implementation of mobile and flexible solutions, replacement of the telephony system and implementing the Digital Strategy Delivery.

MECS CONTROL ROOM EQUIPMENT

The Control Room MECS alarm system needs updated to avoid the risk of not being able to contact the control room in emergencies.

SOCIAL WORK INFORMATION SYSTEM

The replacement of the in-house SWIS system which is no longer fit for purpose. The main element of this project was undertaken in prior years.

CHILDRENS SERVICES

Various IT projects across Childrens Services to ensure fit for purpose.

WEST AND CENTRAL ADVICE HUBS

Upgrades to property to allow service delivery from locality hubs.

CASTINGS HOSTEL

Upgrade to hostel to reduce future accommodation and support costs within the Service.

CENTRAL SUPPORT

Provision towards improvements to Council's operational properties. The main provision will be used to fund investment in properties which are approved for retention and reinvestment following consideration of the Strategic Property Review findings.

COMMUNITY TRUST

CULTURE & 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 and the Trust operated buildings.

TIF

TIF PROGRAMME

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

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

PRUDENTIAL INDICATOR		2017/18	2018/19	2019/20	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	£22.20	Nil	£0.97	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. The 2017/18 indicator includes the impact of rescheduled projects from earlier years, slippage from 2016/17 and the loss of income whilst the Crematorium is being upgraded. It should be noted however that the impact of these have already been 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 Financial Reporting Standards (IFRS).
	Gross External Borrowing	274.8	291.3	304.7	
	Accounting Adjustment – Finance Lease Liabilities	<u>104.3</u> <u>379.1</u>	<u>97.5</u> <u>388.8</u>	<u>90.7</u> <u>395.4</u>	
	Capital Financing Requirement (includes HRA)	309.7	326.2	339.6	
	Accounting Adjustment – Finance Lease Liabilities	<u>109.7</u> <u>419.4</u>	<u>104.2</u> <u>430.4</u>	<u>97.4</u> <u>437.0</u>	

PRUDENTIAL INDICATOR		2017/18	2018/19	2019/20	COMMENTS
4.	Capital Expenditure	£m 30.3	£m 29.5	£m 27.7	Simply the planned capital expenditure per the appended Capital Programme (including TIF and the unallocated budget provision of c£0.8m in 2017/18).
5.	Capital Financing Requirement (General Fund only)	£m 272.5	£m 266.3	£m 258.6	The Capital Financing Requirement reflects the underlying need to borrow for Capital Investment. (including TIF)
6.	Authorised Limit (AL) for External Debt:- Borrowing Accounting Adjustment - Finance Lease Liabilities	£m 310.7 <u>104.3</u> <u>415.0</u>	£m 327.5 <u>97.5</u> <u>425.0</u>	£m 339.3 <u>90.7</u> <u>430.0</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 305.7 <u>104.3</u> <u>410.0</u>	£m 322.5 <u>97.5</u> <u>420.0</u>	£m 334.3 <u>90.7</u> <u>425.0</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.