

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 (a saltire, a stag's head, a ship, and an eagle), and a motto scroll at the bottom.

Agenda Item 8

Capital Programmes Outturn 2016/17

Falkirk Council

Title: Capital Programmes Outturn 2016/17
Meeting: Executive
Date: 15 August 2017
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, for the 2016/17 General Fund Services and Housing Capital Programmes.

2. Recommendations

2.1 The Executive is asked to note:-

- (1) the outturn position, subject to audit for 2016/17 for both the General Fund (£30.8m) and Housing Capital Programmes (£31.1m) and**
(2) the Prudential Indicators.

3. Background

- 3.1 The main aim of the capital programmes is to deliver priority projects on time and on budget, it should be noted however, that both capital programmes are three year programmes and the nature of the projects therein means that spend will inevitably move between years. As such Members have previously approved the rescheduling of a number of General Fund projects to future years (see paragraph 4.2.4).

4. Considerations

4.1 General Services Capital Outturn 2016/17

- 4.1.1 The revised Budget for 2016/17 was agreed by the Executive on 21 February 2017 as £34.6m. Subject to audit, the outturn for the General Services Capital Programme for 2016/17 is:

	2016/17 £'m
Revised Budget	34.622
Outturn	<u>30.826</u>
Variance	<u>3.796</u>

Detailed spend across Services is shown in Appendix 1.

4.1.2 The following paragraphs focus on the main areas of spend during 2016/17 whilst section 4.2 will detail the movement in the outturn variance.

4.1.3 **Children's Services (£15.2m)**

Work continued on the building of the new Carrongrange High School (£12m) which is due for completion in August 2017 and is 50% funded by the Scottish Government. Spend was incurred on the Scottish Government funded Expansion of Early Years project (£0.6m). In addition, there was spend across a number of schools for health and safety, capacity issues and general upgrades (£2.4m). This included a school hall extension at Carron Primary School and major re-wiring and electrical upgrade at Nethermains Primary School.

4.1.4 **Roads & Transport (£4.9m)**

The bridge assessment and strengthening programme spend was £0.7m. The rolling programme of structural works for roads, road safety and lighting continued with a spend of c£4.1m. Preliminary work commenced on the Falkirk High Station Car Park (£0.09m) which will be completed in 2017/18.

4.1.5 **Flooding & Environment (£2.2m)**

Spend on the Grangemouth Flood prevention project was £0.6m with a further £0.2m spent on Minor Flooding projects. A number of Countryside Access projects were undertaken at a cost of £1.2m, all of which were funded from grant income and planning obligations.

4.1.6 **Economic Development (£4.1m)**

Denny Town Centre Regeneration spend was £2.4m and £0.9m was spent on the Abbotsford Business Park. Spend of £0.8m was incurred on the Falkirk THI projects (Steeple & Public Realm) which was part funded by external grants.

4.1.7 **Operational Services (£2.2m)**

The vehicle replacement programme spend was £0.4m. Works on the Crematorium upgrade and the Cemeteries Interment spaces amounted to £1.0m. Spend on waste collection bins (£0.4m) was part funded from a Revenue Contribution.

4.1.8 **Adult Services (Social Work) (£0.1m)**

Work was completed on various Social Work premises e.g. Denny Town House and Wallace Crescent and on MECS equipment.

4.1.9 **Corporate & Housing (£0.7m)**

Spend was incurred on various corporate IT projects e.g. Mobile and Flexible Working, Software licences and Replacement Servers. In addition, software has been introduced (Channel Shift) which allows the public to access Council services online rather than face-to-face in Council offices. This is more convenient to the public and ensures efficiency for the Council in terms of the use of staff resources.

4.1.10 **Community Trust (£1.2m)**

Work was completed on the Grangemouth Athletic Stadium (£0.3m) and on the Dollar Park Tennis Courts (£0.2m) both of which were externally funded by grants. Spend on various works included the Grangemouth Sports Complex (£0.2m), Denny Library fit-out costs (£0.1m) and the Mariner Centre (£0.1m) with a further £0.3m being spent on a number of smaller projects.

4.1.11 **Helix (£0.2m)**

The majority of the spend was on Public Realm works which was funded by a Revenue Contribution.

4.1.12 **Resources**

4.1.12.1 Scottish Government Grants received of c£22.6m includes the General Capital Grant (£13.9m) and the 50% grant funding for the new Carrongrange High School (£8.5m). External Funding of £4.5m was applied including various Capital grants (£1.3m), Planning Obligations & other receipts (£1.5m), Countryside Access projects (£1.2m) and Falkirk THI projects (£0.5m). Revenue Contributions equated to £1.4m leaving a balance of £2.3m of borrowing required to fund the Capital programme.

4.1.12.2 The Revenue Contributions of £1.4m are one off sources of capital funding in 2016/17, the impact of which have already been accounted for in the Financial Outturn 2016/17 reported to the June Executive. The main projects funded from these Revenue Contributions are replacement Waste Bins (£0.2m), Roads Maintenance projects (£0.4m), IT Software Licences (£0.2m) and the Helix project (£0.2m).

4.2 **Outturn Variance 2016/17**

4.2.1 The outturn variance was £3.8m under budget (£2.8m in February). The outturn variance includes slippage of c£7.0m (£6.4m slippage in February) and externally funded projects of c£3.2m, resulting in an overall net outturn variance of £3.8m under budget. Details of the £0.6m increase in slippage (£7.0m less £6.4m) are outlined below:

Service	Outturn Variance £'m
Children's Services	1.490
Development Services	(1.437)
Corporate & Housing Services	(0.543)
Community Trust	(0.114)
Total	(0.604)

4.2.2 The main reasons for the movement in the slippage are as follows:

	£'m	Comments
Children's Services:		
New Carrongrange High School	1.543	Spend re-profiled as advised by Hubco who are responsible for procuring the project on behalf of the Council and in partnership with the Scottish Futures Trust.
Camelon Education Centre	(0.039)	Spend on hold pending findings of Strategic Property Review
Development Services:		
Falkirk High Station Car Park	(0.875)	Financial issues with contractor, contract re-awarded
Road Safety	(0.042)	Delays Stirling Street/Waterslap Rd;
Flooding	(0.196)	Mainly delays in accessing sites for the Grangemouth Flood Prevention project.
Denny Town Centre	(0.208)	Delays in the consultation and design stage of the 5 community artwork projects.
Falkirk THI	(0.084)	Steeple: rejected stone from the supplier led to a delay. Public Realm: work slipped due to Scottish Water being on site.
Core Parks Improvement	(0.026)	Delay in the Dorrator Bridge project.
Corporate & Housing:		
Various I.T. projects	(0.514)	Implementation of Information Management System delayed to assess requirements and schedule staff resources to progress project. Delay in new framework agreement for procurement of server replacement.
Accommodation Investment	(0.046)	Budget carried forward to 2017/18 for costs associated with the Strategic Property Review e.g. survey works at Municipal Buildings.
Community Trust:		
Community Access to Schools	(0.038)	Delay in the Signage design stage.
Callendar Park	(0.040)	Budget being used to attract external funding therefore moved into 2017/18.
Grangemouth Sports Complex (Toilets)	(0.034)	Work being structured into two phases to minimise service disruption.
Miscellaneous	(0.005)	Various Projects across Services
Increase in Slippage	(0.604)	

4.2.3 The 2017/18 Capital Programme will be increased by the overall slippage of £7.0m and will be fully funded by borrowing which was already budgeted for in 2016/17.

4.2.4 Members previously approved the rescheduling of a number of projects to future years. Consequently, where appropriate, the 2017/18 Capital Programme will also be adjusted to include these projects. The total value of projects that were rescheduled to 2017/18 is c£1.84m and includes Early Years budget to part fund the extension at Kinnaird Primary School (£1.4m), Glenbervie Slip Road (£0.18m), Vehicle Replacement Programme (£0.2m) and Victoria Buildings (£0.06m). A further £6.1m has been rescheduled beyond 2017/18 and includes £3.7m for Older Peoples Accommodation, £1.7m for Bainsford Day Centre upgrade and £0.7m for Synthetic Pitches.

4.3 Major Standalone Projects

4.3.1 Members were advised that there are a number of projects which span several financial years. Details of these projects are provided in Appendix 2 and include such projects as Denny Town Centre Regeneration, the construction of the new Carrongrange High School and the Grangemouth Flooding project

4.4 Housing Capital Outturn 2016/17

4.4.1 Subject to audit, the outturn for the Housing Capital Programme for 2016/17 is £31.1m 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 has also helped to fund the delivery of additional houses to meet the continuing need for affordable housing.

4.4.2 The outturn variance was £0.2m under budget (£1.5m in February). The following paragraphs provide details of the work undertaken and the main reasons for the movement in the outturn variance.

4.4.3 Elemental Improvements (£17.5m)

Of the £17.5m spent in relation to Elemental Improvements, £12.1m was spent on external fabric improvements, £2.2m on kitchen/bathroom renewals and £3.2m spent on electrical upgrading works. The February Executive report forecast a spend of £15.7m. Projects were however accelerated to mitigate slippage in other parts of the Housing capital programme, to ensure the overall programme remained in line with budget.

4.4.4 Energy Efficiency (£2.2m)

This expenditure covers the programme of replacement and upgrading of heating to more energy efficient systems across the Council area. This programme slipped slightly by £0.2m from the February report due to difficulties in obtaining access to a number of properties.

4.4.5 New Build Housing (£4.0m)

Approximately £4m was incurred in 2016/17 on the continuing programme of new Council house building. The spend was c£3m lower than budget due to later than anticipated site starts on new build developments at Haugh Street, Falkirk and Duke Street, Denny. The delays were as a result of design consultations and planning considerations which have previously been reported to Members. Land purchases were made for the Duke Street, Abbots Road and the Blinkbonny Road projects and these projects will progress following planning considerations.

4.4.6 Buy Backs (£5.6m)

In 2016/17 the total expenditure incurred in relation to the buy-back of ex-Local Authority houses was c£5.6m. Scottish Government provided grant funding of £2m to part fund the Buy Backs.

4.4.7 Mortgage to Rent (£0.2m)

There were only three properties purchased through the Mortgage to Rent Scheme. This is a demand led project and reflects a positive trend in individual's financial circumstances in that less people are requiring to transfer from ownership to rent, due to financial difficulties. Funding of £0.1m was received from the Scottish Government.

4.4.8 Other Initiatives (£1.6m)

Spend on estate landscaping improvements was £0.5m, e.g. fencing and walls, with £0.5m spent on the windows lease buy-out programme and the remaining £0.6m was spent on various projects such as improvements to door entry systems, stair lighting and bin stores.

4.4.9 Resources

Council House Sales income was £7.6m, an increase on budget of £6.8m, due to the increased number of applications processed following the end of the right to buy entitlement on 1 August 2016. Grant income for New Build and Buy Backs equated to £4.2m. The Revenue Contributions to Capital were £9.2m and the total borrowing for 2016/17 was c£10m.

4.5 Prudential Indicators

4.5.1 A series of Prudential Indicators are used to demonstrate that capital spending plans are affordable, prudent and sustainable. They are approved by Members in February each year as part of the Budget process. Appendix 4 details these Indicators for 2016/17. There are 9 Indicators for the Council as a whole and 4 for Housing only. The following paragraphs focus on some of the key Indicators.

4.5.2 Given that the consequences of capital investment plans impact on the Revenue Budget in the form of loan charges and running costs, Indicator 1 "Ratio of Financing Costs to Net Revenue Stream" specifies the percentage of income that has to be set aside to repay loan charges. The budgeted percentage is the amount that was considered to be affordable at the beginning of the year and the outturn percentage should be no greater than this. Indicator 1 demonstrates that this is the case.

- 4.5.3 Indicator 2 details the incremental impact of Capital Expenditure on both council tax and weekly rents. It takes into account the revenue costs of any borrowing which is undertaken to fund the capital programmes and also any Revenue Contributions to Capital (CFCR). The indicators for both General Fund and Housing are higher than the revised budget which is entirely due to additional CFCR's for both programmes. These CFCR's have been fully accounted for in the revenue outturn figures reported to the June Executive.
- 4.5.4 The Capital Financing Requirement (CFR) measures the borrowing the Council needs to undertake to finance its Capital Programmes (see Indicator 3). The level of borrowing is based on the total Capital Investment plans less resources such as grants, capital receipts and Revenue Contributions etc. The actual CFR (£395.3m) is lower than the budgeted CFR (£423.7m) because of the underspend in the Capital Programmes, (mainly the General Fund) and also because of additional capital grants, capital receipts and Revenue Contributions. This reduction in the borrowing requirement was also reported to Members in the 2016/17 Treasury Management Annual Review which was reported to the June Executive.
- 4.5.5 The Authorised Limit for borrowing is the maximum figure the Council can borrow at any given point during the financial year. The limit is based on Capital Investment plans and borrowing for treasury management purposes and cashflow. As the CFR only takes into account borrowing for the Capital Programmes it is less than the approved Authorised Limit. Given the underspends and the additional resources within both Capital Programmes, it was not necessary to increase this limit during the course of the year, hence the outturn figure in Indicator 6 remained at the budgeted level of £420m.

4.6 Capital Reserves

4.6.1 Capital Receipts Reserves

This Reserve comprises proceeds from the sale of Council Assets. As part of the 2015/16 Revenue budget process, Members approved the potential to deploy capital receipts to meet the costs of Voluntary Severance. The movement on this Reserve is as detailed below:

	General Fund £'m	HRA £'m	Total £'m
Balance at 1 April 2016	4.072	2.426	6.498
Cash Received in 16/17	1.657	7.618	9.275
Less:			
Earmarked for Employee Liabilities	(2.900)	-	(2.900)
Applied to 2016/17 Capital Programmes	(0.124)	(7.618)	(7.742)
Balance at 31 March 2017	2.705	2.426	5.131

It should be noted that within the General Fund balance of £2.705m, £0.904m is included for Northfield Quarry which can only be applied at £0.03m per annum.

Also included in the balance is £1.14m in respect of land transferred to Housing for new build housing projects. This transfer is subject to planning consent for these projects and as such cannot be applied in case the planning consents are not granted. If not granted, the receipts will have to be transferred back to Housing.

4.6.2 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 below:

	General Fund £'m	HRA £'m	Total £'m
Balance at 1 April 2016	2.544	1.082	3.626
Cash Received in 16/17	0.032		0.032
Less:			
Applied to 2016/17 Capital Programmes	(1.836)	-	(1.836)
Balance at 31 March 2017	0.740	1.082	1.822

Within the General Fund Balance of £0.74m at 31 March 2017 there is £0.02m which can be applied to the 2017/18 Capital Programme. Further review of the balance will be undertaken with Services as part of the 2018/19 – 2020/21 Capital Programme process, to determine to what extent it can be applied to fund projects.

5. Consultation

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

6. Implications

Financial

- 6.1 The General Fund Capital Programme is underspent and the 2017/18 Programme will be adjusted to include this underspend.

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 Given that there are a number of high value projects which have been rescheduled to future years (see paragraph 4.2.4), there is a risk that the cost of these projects 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 financial outturn for 2016/17, subject to audit, for the General Fund Capital Programme is £30.8m, which is £3.8m less than budget.
- 7.2 The financial outturn for 2016/17, subject to audit, for the Housing Capital Programme is £31.1m, which is £0.2m less than budget.

Director of Corporate & Housing Services

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APPENDICES

Appendix 1 – General Fund 2016/17 Outturn
Appendix 2 – Major Standalone Projects
Appendix 3 – Housing 2016/17 Outturn
Appendix 4 – Prudential Indicators 2016/17

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 2016/17 - 2018/19 – Council 17 February 2016**
- **Capital Programmes Update Report – Executive 27 September 2016**
- **Capital Programmes Update Report – Executive 29 November 2016**
- **Capital Programmes Update Report – Executive 21 February 2017**

2016/17 CAPITAL PROGRAMME**GENERAL PROGRAMME - SUMMARY****APRIL 2016 TO MARCH 2017**

EXPENDITURE	2016/17 REVISED BUDGET	2016/17 OUTTURN	2016/17 OUTTURN VARIANCE
SERVICE INVESTMENT PLANS	£000	£000	£000
CHILDREN'S SERVICES	15,352	15,195	(157)
DEV - ROADS & TRANSPORT	6,051	4,865	(1,186)
DEV - FLOODING & ENVIRONMENT	979	2,163	1,184
DEV - ECONOMIC DEVELOPMENT	5,042	4,114	(928)
DEV - OPERATIONAL SERVICES	4,214	2,232	(1,982)
ADULT SERVICES (SOCIAL WORK)	125	88	(37)
CORPORATE & HOUSING	1,749	752	(997)
COMMUNITY TRUST	1,042	1,158	116
HELIX	68	259	191
TOTAL EXPENDITURE 2016/17	34,622	30,826	(3,796)

RESOURCES	2016/17 REVISED BUDGET	2016/17 OUTTURN	2016/17 OUTTURN VARIANCE
FALKIRK COUNCIL BORROWING	12,580	2,290	(10,290)
SCOTTISH GOVERNMENT BLOCK GRANTS	10,187	13,881	3,694
SCOTTISH GOVERNMENT SPECIFIC GRANTS	6,631	8,727	2,096
CAPITAL RECEIPTS - SALES	2,054	125	(1,929)
EXTERNAL FUNDING	2,482	4,450	1,968
RESERVES (DMR, CFCR and R&R)	200	1,353	1,153
SLIPPAGE ALLOWANCE	488	0	(488)
TOTAL RESOURCES 2016/17	34,622	30,826	(3,796)

2016/17 CAPITAL PROGRAMME**GENERAL PROGRAMME - SUMMARY****MAJOR STANDALONE PROJECTS**

PROJECT NAME	TOTAL PROJECT BUDGET	PREVIOUS YEARS SPEND	2016/17 ACTUAL SPEND	FUTURE YEARS FORECAST	TOTAL FORECAST SPEND
	£000	£000	£000	£000	£000
NEW CARRONGRANGE HIGH SCHOOL	17,734	1,148	12,036	4,550	17,734
FALKIRK HIGH STATION CAR PARK	990	15	87	888	990
GRANGEMOUTH FLOODING	111,450	1,158	551	109,741	111,450
DENNY TOWN CENTRE REGENERATION	9,039	3,978	2,354	2,707	9,039
CEMETERIES UPGRADE	2,695	561	156	1,978	2,695
FALKIRK CREMATORIUM	3,408	360	835	2,213	3,408
MOBILE & FLEXIBLE WORKING	1,908	1,610	81	217	1,908
TOTAL	147,224	8,830	16,100	122,294	147,224

2016/17 CAPITAL PROGRAMME**HOUSING INVESTMENT PROGRAMME - SUMMARY****APRIL 2016 TO MARCH 2017**

EXPENDITURE	2016/17 REVISED BUDGET	2016/17 OUTTURN	2016/17 OUTTURN VARIANCE
HOUSING INVESTMENT PLANS	£000	£000	£000
ELEMENTAL IMPROVEMENTS	13,878	17,505	3,627
ENERGY EFFICIENCY	2,200	2,179	(21)
NEW BUILD HOUSING	7,029	4,007	(3,022)
ESTATES & OTHER EXPENDITURE	1,050	708	(342)
PROPERTY BUY BACKS	6,000	5,612	-388
MORTGAGE TO RENT	0	231	231
LHS INITIATIVES & OTHERS	700	425	(275)
WINDOW LEASE BUY OUT	469	469	0
TOTAL EXPENDITURE 2015/16	31,326	31,136	(190)

RESOURCES	2016/17 REVISED BUDGET	2016/17 OUTTURN	2016/17 OUTTURN VARIANCE
BUDGETED PRUDENTIAL BORROWING	23,172	9,410	(13,762)
MORTGAGE TO RENT BORROWING	0	103	103
WINDOW LEASE BUY OUT BORROWING	469	469	0
COUNCIL HOUSE SALES	800	7,595	6,795
CFCR	5,365	9,174	3,809
SCOTTISH GOVERNMENT - NEW BUILD	1,520	2,231	711
SCOTTISH GOVERNMENT - BUY BACK	0	2,000	2,000
OTHER GRANTS & CONTRIBUTIONS	0	26	26
SCOTTISH GOVERNMENT MORTGAGE TO RENT GRANT	0	128	128
TOTAL RESOURCES 2015/16	31,326	31,136	(190)

FALKIRK COUNCIL
PRUDENTIAL CODE INDICATORS
[Excluding HRA]

PRUDENTIAL INDICATOR		REVISED BUDGET 2016/17	OUTTURN 2016/17	COMMENTS
1.	Ratio of Financing Costs to Net Revenue Stream	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	£9.79	£17.87	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 fully been accounted for in the revenue outturn figures.
3.	Gross Borrowing: Gross External Borrowing Accounting Adjustment – Finance Lease Liabilities Capital Financing Requirement (includes HRA) Accounting Adjustment – Finance Lease Liabilities	£'m 273.5 <u>109.8</u> 383.3 308.4 <u>115.3</u> 423.7	£'m 245.1 <u>109.8</u> 354.9 280.0 <u>115.3</u> 395.3	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		REVISED BUDGET 2016/17	OUTTURN 2016/17	COMMENTS
4.	Capital Expenditure GF TIF	£'m 34.6 <u>5.1</u> 39.7	£'m 30.8 <u>1.3</u> 32.1	Simply the approved and actual capital expenditure including TIF.
5.	Capital Financing Requirement (GF & TIF)	£'m 282.4	£'m 267.6	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 310.2 <u>109.8</u> <u>420.0</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 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 305.2 <u>109.8</u> <u>415.0</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 and Treasury Management activities.

PRUDENTIAL INDICATOR		REVISED BUDGET 2016/17	OUTTURN 2016/17	COMMENTS
8.	Actual External Debt: External Borrowing Other Long Term Liabilities	<u>N/A</u>	245.1 <u>109.8</u> <u>354.9</u>	Actual External Debt per Annual Accounts 2016/17 which confirms compliance with 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		REVISED BUDGET 2016/17	OUTTURN 2016/17	COMMENTS
1.	Ratio of Financing Costs to Net Revenue Stream	18%	16%	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	£1.62	£2.90	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 revenue outturn figures.
3.	Capital Expenditure	£'m 31.3	£'m 31.1	Simply the approved and actual capital expenditure.
4.	Capital Financing Requirement	£'m 141.2	£'m 127.7	The Capital Financing Requirement reflects the underlying need to borrow for HRA Capital Investment