

## **FALKIRK COUNCIL**

**SUPPLEMENTARY AGENDA** for the meeting of **FALKIRK COUNCIL** to be held on **WEDNESDAY 7 MARCH 2018** at **9.30a.m.**

### **ADDITIONAL ITEM**

**Council agreed on 28 February 2018 to continue consideration of the undernoted item of business to the meeting on 7 March 2018**

#### **5. Three Year General Fund Capital Programme 2018/19 – 2020/21**

Report by the Director of Corporate and Housing Services. (Pages 2 to 41)

The report can be found on the Council's website at:-

<http://www.falkirk.gov.uk/Council&democracy/Committees&councilbodies/falkirkcouncil/7march2018>

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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 5**

### **Three Year General Fund Capital Programme 2018/19 – 2020/21**

**Falkirk Council**

**Title:** **Three Year General Fund Capital Programme 2018/19 – 2020/21**

**Meeting:** **Falkirk Council**

**Date:** **28 February 2018**

**Submitted By:** **Director of Corporate & Housing Services**

**1. Purpose of Report**

- 1.1 This report sets out a balanced draft capital investment plan for Falkirk Council for the next 3 financial years, on all areas of service delivery, with the exception of Council Housing which was reported separately to Council on 15 January 2018. The plan contains ambitious investment of c£84m over 3 years including the Tax Increment Financing (TIF) Scheme. Amendments to the draft plan are proposed by the Administration and they are presented at section 4.6.
- 1.2 The investment plans are based on an estimated level of resources as outlined in Section 4.1 of this report and any emergent 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 and the Grangemouth Flood Prevention Scheme.

**2. Recommendations**

**Members are invited to:**

**(1) Approve a balanced General Services Capital Programme.**

**(2) Note the Prudential Indicators.**

**3. Background**

- 3.1 Capital bid templates were sent out to Services at the beginning of the Capital Budget process in May 2017. The information included in the bid sheets was used as the primary basis for assessing the bids. The assessment process included checking and alignment with the Council's priorities as approved by Council in September 2017. In addition, the bid sheets also captured information in relation to legislation, risk, asset management and revenue implications. The assessment process also took into account Council of the Future Projects.
- 3.2 The draft programme as detailed in Appendix 1, has been considered by the Member Budget Working Group.

## 4. Considerations

### 4.1 Resources

4.1.1 Overall resources available for the 3 years total c£84m as detailed below:

	£'m
Prudential Borrowing	0.6
Scottish Government Grant	46.4
Capital Receipts	5.2
Other Funding (Planning Obligations, CFCR etc.)	5.8
Prudential Borrowing/CFCR for TIF Projects	26.3
<b>Total Estimated Resources</b>	<b>84.3</b>

- 4.1.2 The resources in this programme reflect the challenging economic climate. The Revenue Budget is under severe pressure with a c£35m budget gap projected over 2018/19 and 2019/20. 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 pressures that the Revenue Budget is under, borrowing in the draft programme has been restricted. Consequently the net borrowing for the draft programme equates to £0.6m (excluding TIF). This borrowing is scheduled to take place in year 3 of the draft programme.
- 4.1.4 The 2018/19 General Capital Grant announced by the Scottish Government does not include the expected 2016/17 re-profiling adjustment of £150m across all Councils. Falkirk's share of this is c£2.6m and the Scottish Government have advised that this will be repaid in 2019/20.
- 4.1.5 The 2018/19 General Capital Grant has now been confirmed at £13.1m which represents a £2.2m reduction for Falkirk Council. The impact of this flows through years 2 and 3 of the Programme which means an overall reduction in Capital Grant of £6.6m.
- 4.1.6 The draft Programme includes £4.0m of specific Scottish Government Grant for the Grangemouth Flood Prevention Scheme and £0.7m for Cycling, Walking & Safer Streets.
- 4.1.7 Capital receipts are fairly low reflecting market conditions. The anticipated receipts include the sale of surplus property assets at Seabegs Road, Victoria Buildings and Duchess Nina House, Bo'ness. Also included are £3.0m of earmarked capital receipts which are to fund investment in the Council's commercial and industrial property portfolio at Abbotsford Business Park (see paragraph 4.2.5.4). Across the three years of the Programme, capital receipts of £5.2m are included.
- 4.1.8 Other Funding consists of known planning obligations from Developers (£1.8m), which will be applied to fund a number of school extensions and estimated Developers' contributions towards DEAR (£3.3m). Also included is £0.5m of CFCR (Capital Funded from Revenue Contributions) to fund Software Licences.

- 4.1.9 Prudential Borrowing for projects included in the Tax Increment Financing (TIF) Scheme has been shown separately given both its scale and unique nature. The TIF project is dependent on Non-Domestic Rates Income (NDRI) being generated to fund the debt charges associated with the infrastructure investment being undertaken. The TIF project over the next three years is funded by borrowing of £24.6m and CFCR of £1.7m.

## **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 2017/18 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 and Bainsford Day Centre. However, Bainsford Day Centre is to close and the resources re-allocated to two other Day Centres, with any remainder to be allocated as appropriate to other potential capital investment flowing from the review and redesign programme (see paragraph 4.2.7.2). Once a decision has been taken on the Older People's Accommodation project, the value of the re-scheduled Budget will also be added to the approved 2018/19 – 2020/21 Capital Programme, if appropriate.
- 4.2.2 The format of the programme 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 2017/18 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 The draft programme includes provision for extensions at a number of schools including the following: Kinnaird Primary School, £1.3m for phases I, II and III; Maddiston Primary School, £3.1m for phase I and II and Denny Primary School £2.1m, £1.2m of which is funded from Developer Contributions.
- 4.2.4.2 The draft programme also includes £1.4m for the expansion at Larbert High School and £0.8m for ASN capacity growth.
- 4.2.4.3 Rolling Programmes of £5.2m 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 (£19.0m).
- 4.2.5.2 The Denny Eastern Access Road is predicated on attracting equal planning obligation receipts (£3.3m). Please refer to section 4.6.2 for further information.

- 4.2.5.3 The draft programme includes £4.6m for the Grangemouth Flood Prevention Scheme. The total project spend is c£139m, of which c£14m is included within the TIF project, with the remaining c£125m forming the main project spend. The preliminary works have commenced (£3.8m forecast up to 31 March 2018) with the major project spend of c£117m extending beyond 2020/21. The main project spend of c£125m assumes substantial Council funding (c£14m) and Scottish Government grant (c£111m). It should be noted that this funding requirement is set against a background of severe revenue budget pressure and restricted government funding.
- 4.2.5.4 The draft Programme also includes £3.0m of investment for the Council's commercial and industrial portfolio at Abbotsford Business Park. This is dependent on capital receipts being generated (see paragraph 4.1.7).
- 4.2.5.5 Budgets are also included for upgrades to the Council's core parks and playparks (£0.5m).
- 4.2.5.6 Provision is made for investment at Cemeteries (£0.9m) and external works at the Crematorium (£0.3m).
- 4.2.5.7 The rolling programme for the replacement of the Council's operational vehicles is also included within the programme (£5.0m).

#### **4.2.6 Corporate & Housing Services**

- 4.2.6.1 There is provision for a number of business transformation enabling projects geared to the Council of the Future (CotF) agenda. These include implementation of the Mobile and Flexible Working Solution in Education establishments (£0.4m), refresh of PC estate & other IT works in Nurseries and Schools (£0.9m). For more information on the CotF projects included in the programme, see section 4.3. The programme also provides for Digital Strategy Delivery (£0.2m) which is required to ensure that we continue to move forward as a digitally focused Council. In addition, £0.9m is included for software licenses including Microsoft and a further £0.3m for the replacement of Application Servers.
- 4.2.6.2 Property upgrades for West and Central Advice Hubs are also included (£0.5m), the East Hub having already been set up as a pilot scheme for service delivery.
- 4.2.6.3 The draft programme includes £1.0m for re-investment in those properties that are to be retained following the completion of the Strategic Property Review. There is also £0.4m included for general investment in accommodation.

#### **4.2.7 Social Work (Adult Services)**

- 4.2.7.1 The only project in the Social Work programme is the replacement of MECS equipment (£0.15m).
- 4.2.7.2 As part of a review and redesign of day services for younger adults, the Falkirk Health and Social Care Partnership's Integration Joint Board have made a decision to close the Bainsford Day Centre building and relocate the service currently delivered at Bainsford Day Centre. The building is therefore scheduled to be closed during 2018 and the refurbishment of the day centre is therefore no longer necessary. The Budget that was previously approved (£1.7m) will now be required to be allocated to the refurbishment costs, which are still to be determined, at the Dundas Resource Centre and Oswald Avenue Day Centre.

The remainder of the £1.7m Budget is to be allocated as appropriate, to other potential capital investment flowing from the review and redesign programme.

4.2.7.3 A Budget was previously allocated to Older Peoples' Accommodation (£3.7m). This Budget will require to be rescheduled in line with continuing discussion with NHS Forth Valley Partners around the location of the new build facility at Falkirk Community Hospital.

4.2.7.4 Both Budgets discussed above were approved as part of previous Budget deliberations. Given that there is no definitive position on spend and timing, they are not reflected in the draft programme detailed in Appendix 1.

#### 4.2.8 **Community Trust**

4.2.8.1 Responsibility for capital investment in assets operated by Falkirk Community Trust lies with the Council and a rolling programme is included to fund some priority works to help retain the ongoing operation of some sites (c£1.6m). Details of the individual projects are noted within the Trust Business Plan which was reported to Council in December 2017. Notwithstanding this investment, the Trust has advised that a greater level is required to address backlog issues within Trust operational facilities.

#### 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 NDRI 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 NDRI 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, progress on TIF will be reported separately to Members by Development Services.

### 4.3 **Council of the Future**

4.3.1 At September Council, Members approved the Council of the Future (CotF) Programme of Change, including a number of projects which need to be progressed in order to wholly support the Council of the Future vision. Council of the Future is an integral part of the Medium Term Financial Plan of the Council and is designed to achieve significant budget savings with £13.1m and £4.7m identified for 2018/19 and 2019/20 respectively. The following table details those CotF projects which have been included in the draft programme:

<b>Service</b>	<b>Project</b>	<b>£'m</b>
Development	Smart Working – Smart Travel	0.40
Corp & Housing	West and Central Advice Hubs	0.50
Corp & Housing	Firewall Replacement	0.06
Corp & Housing	Server Virtualisation - Replacement	0.15
Corp & Housing	Mobile & Flexible Working for Schools	0.35
	<b>Total</b>	<b>1.46</b>

#### **4.4 Slippage Allowance**

- 4.4.1 A slippage allowance of £2.4m has been built into 2018/19. This is consistent with the approach taken in previous years. The inclusion of this allowance has allowed key projects which didn't make the cut, to be included in the Programme and helped compensate for the reduction of the grant.

#### **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. Appendix 2 details these indicators over the 3 year programme. The indicators are based on the balanced programme as detailed in Appendix 1 with the exception of Indicator 2 "Incremental Impact of Capital Expenditure on Council Tax" where there are two sets of figures shown. The first is based on the balanced programme as detailed in Appendix 1 and the second on the assumption that the acceleration of DEAR is approved (see paragraph 4.6.2).

#### **4.6 Administration Proposals**

- 4.6.1 Notwithstanding that there is a balanced Capital Programme 2018-2021 detailed in Appendix 1 and the Prudential Indicators that flow from that, in Appendix 2, the Administration are proposing some amendments to this Programme. These amendments are explained further in the following paragraphs.

##### **4.6.2 DEAR - £5.65m**

- 4.6.2.1 As stated in paragraph 4.2.5.2, the draft Capital Programme includes £3.3m for DEAR and is predicated on attracting equal planning obligations receipts. However, if the Council were minded to accelerate the construction of DEAR, then it would waive these receipts from Developers and instead would have to self-fund.
- 4.6.2.2 The estimated cost of DEAR is £7.4m, however this includes £1.75m of works already completed by Avant Homes in relation to the Mydub Development. The balance of £5.65m is the cost that the Council would incur to complete the road. The estimated profile of spend is as follows:

	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>Total £'000</b>
DEAR	1,090	4,000	560	<b>5,650</b>

##### **4.6.2.3 KEY POINTS TO NOTE:**

- The total cost of £5.65m includes estimated land costs of £0.43m.

Falkirk Council owns 40% of the land required for the completion of DEAR, with the remaining 60% being owned by a third party. The profile of spend detailed in the table at paragraph 4.6.2.2 assumes that all parties are in agreement to the land purchase. However, any delays in agreement has the potential to extend the programme for delivery by 12 to 24 months.



- If the delivery of the scheme is delayed (planning, land acquisition), then the cost of the scheme will increase by approximately 3% per annum.

4.6.2.4 Given that the draft Capital Programme is in a balanced position, an acceleration of the DEAR would result in a £5.65m funding gap. Proposals for funding DEAR are detailed in the following table:

	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>Total £'000</b>
<b>DEAR</b>	<b>1,090</b>	<b>4,000</b>	<b>560</b>	<b>5,650</b>
<b>Funding:</b>				
Re-Profile Capital Receipts		855	(855)	-
Increase in Slippage Allowance	1,000	-		1,000
CFCR	-	650		650
Developers Contributions (Housing)	90	250		340
Additional Borrowing	-	2,245	1,415	3,660
<b>Total Funding</b>	<b>1,090</b>	<b>4,000</b>	<b>560</b>	<b>5,650</b>

#### Implications of Funding

- The CFCR contribution of £0.65m would be funded from the additional grant (£4.6m) announced latterly as part of the Scottish Government Budget process (see paragraph 4.3.4 of the Revenue Budget report). Essentially the £0.65m would be transferred to Reserves at the end of 2018/19 and thereafter carried forward and applied in 2019/20.
- The additional borrowing of £3.66m would be repayable over 40 years and equates to an annual loans fund repayment of c£0.19m. This would require to be built into future Revenue Budgets.

#### **4.6.3 Autistic Units - £0.2m**

4.6.3.1 As detailed in paragraph 4.3.4 of the Revenue Budget report, there are an increasing number of pupils being diagnosed with Autism Spectrum Disorders (ASD). The Administration propose that funding be made available to provide additional support for these pupils. Additional investment of £0.2m will allow Children's Services to create additional specialised ASD capacity within mainstream schools. This investment will be funded from the additional grant (£4.6m) announced latterly as part of the Scottish Government Budget process.

#### **4.6.4 Community Asset Transfers – Community Centres - £0.1m**

4.6.4.1 Community Asset Transfers are a key consideration of the Strategic Property Review. With this in mind the Administration propose that £0.1m be set aside to assist with the transfer of Community Centres to communities. This sum would be used to attract match funding and ensure that these community facilities become more sustainable in the community once transferred. This additional investment would be funded from borrowing.

## **5. Consultation**

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

## **6. Implications**

### **Financial**

- 6.1 Should the acceleration of DEAR be approved, the draft Programme will increase by £5.65m. This will be funded from an increase in the slippage allowance of £1.0m, a CFCR of £0.65m, Developer's Contributions from Housing £0.34m, and Prudential Borrowing of £3.66m.
- 6.2 Should the additional capital investment of £0.2m in ASD provision be approved, this will be fully funded from a CFCR of £0.2m.
- 6.3 Should the additional capital investment of £0.1m for Community Asset Transfers be approved, this will be funded from Prudential Borrowing.
- 6.4 The approved General Capital Programme will be adjusted to reflect the value of slippage at 31 March 2018 and any projects which have previously been rescheduled.

### **Resources**

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

### **Legal**

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

### **Risk**

- 6.7 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.
- 6.8 There is a risk that the Scottish Government General Capital Grant included in the programme for 2019/20 and 2020/21, will be different from that estimated. This could therefore require a revision in the number of projects included in the programme.
- 6.9 There is a risk that if the acceleration of DEAR is approved, that the timeframe for completion may slip because of potential issues with the purchase of land.

### **Equalities**

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

### **Sustainability/Environmental Impact**

- 6.11 The Capital bid templates that were completed, required Services to confirm whether a Strategic Environmental Assessment was necessary.

## **7. Conclusions**

- 7.1 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.
- 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.



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Date: 20 February 2018

## **Appendices**

**Appendix 1 – General Capital Programme 2018/19 – 2020/21**  
**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 5/2017

**Falkirk Council**

# **GENERAL CAPITAL PROGRAMME**

**2018/19 to 2020/21**

**THREE YEAR**

**INVESTMENT PLAN**

**FALKIRK COUNCIL**  
**GENERAL CAPITAL PROGRAMME**  
**THREE YEAR INVESTMENT PLAN**

**2018/19 to 2020/21**

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**Section 2      Service Investment Plans - Financial**

Children's Services  
Development Services – Design, Roads & Transport  
Development Services – Planning & Economic Development  
Development Services – Environmental Services  
Corporate & Housing Services  
Adult Services (Social Work)  
Community Trust - Culture & Leisure  
TIF

**Section 3      Service Investment Plans - Description**

Children's Services  
Development Services – Design, Roads & Transport  
Development Services – Planning & Economic Development  
Development Services – Environmental Services  
Corporate & Housing Services  
Adult Services (Social Work)  
Community Trust - Culture & Leisure  
TIF

**SECTION 1**  
**SUMMARY OF INVESTMENT PLANS**

**FALKIRK COUNCIL**  
**GENERAL CAPITAL PROGRAMME**  
**FUTURE INVESTMENT PLANS**

	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
<b><u>EXPENDITURE</u></b>				
CHILDREN'S SERVICES	3,918	5,126	4,770	13,814
DEVELOPMENT SERVICES	13,312	13,073	13,623	40,008
CORPORATE & HOUSING SERVICES	2,778	1,270	830	4,878
ADULT SERVICES (SOCIAL WORK)	49	49	49	147
COMMUNITY TRUST	568	522	522	1,612
TIF	6,364	12,258	7,700	26,322
SLIPPAGE ALLOWANCE	(2,400)	-	-	(2,400)
<b>TOTAL EXPENDITURE (INCLUDING TIF)</b>	<b>24,589</b>	<b>32,298</b>	<b>27,494</b>	<b>84,381</b>
<b><u>RESOURCES</u></b>				
FALKIRK COUNCIL BORROWING	-	-	650	650
SCOTTISH GOVERNMENT GRANTS	14,443	17,297	14,630	46,370
CAPITAL RECEIPTS – PROPERTY SALES	2,360	1,000	1,885	5,245
OTHER FUNDING (Grants/ Section 75/CFCR)	1,422	1,743	2,629	5,794
<b>TOTAL RESOURCES (EXCLUDING TIF)</b>	<b>18,225</b>	<b>20,040</b>	<b>19,794</b>	<b>58,059</b>
<b>TIF RESOURCES</b>				
Borrowing	5,318	11,601	7,700	24,619
CFCR	1,046	657	-	1,703
<b>TOTAL RESOURCES (INCLUDING TIF)</b>	<b>24,589</b>	<b>32,298</b>	<b>27,494</b>	<b>84,381</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**

**CHILDREN'S SERVICES**





	TOTAL FORECAST SPEND TO 31/03/18 £'000	ESTIMATED SLIPPAGE / RESCHEDULED FROM 2017/18 £'000	2018/19 £'000	BUDGET 2019/20 £'000	2020/21 £'000	FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
<b>Major Projects</b>								
Kinnaird Primary School Extension Phase 1	291	1,249	243	-	-	-	1,783	
Kinnaird Primary School Extension Phase II	-	-	640	-	-	-	640	
Kinnaird Primary School Extension Phase III	-	-	-	-	385	695	1,080	
Maddiston Primary School Extension Phase I	-	-	-	1,814	1,203	-	3,017	
Maddiston Primary School Extension Phase II	-	-	-	-	35	645	680	
Denny Primary School Extension	-	-	-	1,077	1,012	-	2,089	
Larbert High School Phases III-V	246	36	1,000	250	150	290	1,972	
			1,883	3,141	2,785			







	TOTAL FORECAST SPEND TO 31/03/18 £'000	ESTIMATED SLIPPAGE / RESCHEDULED FROM 2017/18 £'000	2018/19 £'000	BUDGET 2019/20 £'000	2020/21 £'000	FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
<b>Other Investments</b>								
ASN Provision – Capacity Growth			275	275	275			
Capital Improvements – All Schools			1,580	1,710	1,710			
Community Learning & Development			155	-	-			
Larbert Village Primary School – Playground Surface			25	-	-			
			2,035	1,985	1,985			
<b>TOTAL CHILDREN'S SERVICES</b>			<b>3,918</b>	<b>5,126</b>	<b>4,770</b>			

**FALKIRK COUNCIL**

**GENERAL CAPITAL PROGRAMME**

**DEVELOPMENT SERVICES**







	TOTAL FORECAST SPEND TO 31/03/18 £'000	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2017/18 £'000	2018/19 £'000	BUDGET 2019/20 £'000	2020/21 £'000	FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
<b>DESIGN, ROADS &amp; TRANSPORT</b>								
<b>Major Projects</b>								
Denny Eastern Access Road	1,750	-	814	1,085	1,357	2,394	7,400	
Snab Brae, Bo'ness Roundabout	-	-	-	80	-	1,045	1,125	
C116, Waterslap Road, Carronshore	-	-	-	-	158	1,535	1,693	
Grangemouth Flood Prevention Scheme	3,238	572	1,228	1,600	1,800	116,697	125,135	
			2,042	2,765	3,315			




	TOTAL FORECAST SPEND TO 31/03/18 £'000	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2017/18 £'000	2018/19 £'000	BUDGET 2019/20 £'000	2020/21 £'000	FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
<b>Major Improvements &amp; Structural Works</b>								
Bridge Assessments and Strengthening			880	790	790			
Structural Works- Roads			4,237	3,903	3,903			
Structural Works - Lighting			1,020	950	950			
Roads Safety (including Cycling & Pedestrian schemes)			325	285	285			
Cycling, Walking, Safer Streets			217	217	217			
Flooding Assessment/Minor Improvement			163	143	143			
			6,842	6,288	6,288			
<b>TOTAL DESIGN, ROADS &amp; TRANSPORT</b>			<b>8,884</b>	<b>9,053</b>	<b>9,603</b>			

**FALKIRK COUNCIL**






**GENERAL CAPITAL PROGRAMME**

**DEVELOPMENT SERVICES**

PLANNING & ECONOMIC DEVELOPMENT	TOTAL FORECAST SPEND TO 31/03/18 £'000	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2017/18 £'000	2018/19 £'000	BUDGET 2019/20 £'000	2020/21 £'000	FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
<b>Factory Bldgs &amp; Industrial Estates</b>								
Business Property Reinvestment			1,000	1,000	1,000			
<b>Other Local Services</b>								
Core Park Improvements			92	92	92			
Playpark Upgrades			86	86	86			
Crematorium – External Works	20	130	100	100	100	-	450	
Cemeteries – Development			250	250	250			
Cemeteries – Deteriorating Headstones			60	60	60			

	TOTAL FORECAST SPEND TO 31/03/18 £'000	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2017/18 £'000	2018/19 £'000	BUDGET 2019/20 £'000	2020/21 £'000	FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
Falkirk Countryside Access Strategy Fund	-	-	38	38	38	-	-	
Bo'ness Harbour	174	-	100	100	100	-	474	
Kinneil House – Walled Garden	24	76	80	80	80	-	340	
<b>TOTAL PLANNING &amp; ECONOMIC DEVELOPMENT</b>			<b>1,806</b>	<b>1,806</b>	<b>1,806</b>			

**FALKIRK COUNCIL**  
**GENERAL CAPITAL PROGRAMME**  
**DEVELOPMENT SERVICES**

ENVIRONMENTAL SERVICES	TOTAL FORECAST SPEND TO 31/03/18 £'000	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2017/18 £'000	2018/19 £'000	BUDGET 2019/20 £'000	2020/21 £'000	FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
<b>Other Projects</b>								
Vehicle Replacement			1,563	1,710	1,710			
Waste Containers			219	219	219			
Kinneil Kerse Landfill Restoration			185	285	285			
Road Junction upgrade at Roughmute			255	-	-			
Smart Working, Smart Travel (CotF)			400	-	-			
<b>TOTAL ENVIRONMENTAL SERVICES</b>			<b>2,622</b>	<b>2,214</b>	<b>2,214</b>			
<b>TOTAL DEVELOPMENT SERVICES</b>			<b>13,312</b>	<b>13,073</b>	<b>13,623</b>			



**FALKIRK COUNCIL**

**GENERAL CAPITAL PROGRAMME**


**CORPORATE & HOUSING SERVICES**





	TOTAL FORECAST SPEND TO 31/03/18  £'000	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2017/18  £'000	BUDGET 2018/19      2019/20      2020/21  £'000      £'000      £'000			FUTURE YEARS  £'000	PROJECT BUDGET  £'000	PROJECT DESIGN STAGE
<b>Corporate IT Investment – Other</b>								
Firewall Replacement			60	-	-			N/A
Server Virtualisation Replacement			150	-	-			N/A
Replacement of Application Servers			85	85	85			N/A
Replacement of Window Servers			60	-	-			N/A
Extension of Existing I.T. Backup			50	50	-			N/A
Remote Desktop Service Access			60	60	60			N/A
Digital Strategy Delivery			100	100	-			N/A

	TOTAL FORECAST SPEND TO 31/03/18  £'000	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2017/18  £'000	BUDGET 2018/19      2019/20      2020/21 £'000      £'000      £'000			FUTURE YEARS  £'000	PROJECT BUDGET  £'000	PROJECT DESIGN STAGE
Microsoft Software Licenses			123	123	123			N/A
<b>Other Services' IT Requirements</b>								
<u>Adult Services (Social Work)</u>								
Mobile Devices to use with SWIS			10	-	-			N/A
<u>Children's Services</u>								
Online School Payments			25	25	25			N/A
Microsoft Licenses - Schools			100	105	110			N/A
Refresh PC Estate in Schools/Nurseries	100	-	400	300	-	-	800	N/A
Replacement of Secondary School Server			50	-	-			N/A
Wi-Fi Nurseries & Special schools			30	30	-			N/A

Mobile & Flexible  
Working in Schools  
(CotF)

**TOTAL CORPORATE IT**

TOTAL FORECAST SPEND TO 31/03/18	ESTIMATED SLIPPAGE / RESCHEDULED FROM 2017/18	BUDGET			FUTURE YEARS	PROJECT BUDGET	PROJECT DESIGN STAGE
£'000	£'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	£'000	£'000	
		350	-	-			
		1,653	878	403			

	TOTAL FORECAST SPEND TO 31/03/18	ESTIMATED SLIPPAGE / RESCHEDULED FROM 2017/18	BUDGET			FUTURE YEARS	PROJECT BUDGET	PROJECT DESIGN STAGE
	£'000	£'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	£'000	£'000	
<b>Corporate &amp; Housing</b>								
West & Central Advice Hubs (CotF)	50	335	500	-	-	-	885	 
<b>Central Support –</b>								
Accommodation Investment			142	142	142			
Strategic Property Review			483	250	285			
<b>TOTAL CORPORATE &amp; HOUSING</b>			<b>2,778</b>	<b>1,270</b>	<b>830</b>			


**FALKIRK COUNCIL**

**GENERAL CAPITAL PROGRAMME**

**ADULT SERVICES (SOCIAL WORK)**

Older People  
MECS Conversions


**TOTAL ADULT  
SERVICES**

TOTAL FORECAST SPEND TO 31/03/18	ESTIMATED SLIPPAGE / RESCHEDULED FROM 2017/18	BUDGET			FUTURE YEARS	PROJECT BUDGET	PROJECT DESIGN STAGE
£'000	£'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	£'000	£'000	
		49	49	49			
		<b>49</b>	<b>49</b>	<b>49</b>			

**FALKIRK COUNCIL**

**GENERAL CAPITAL PROGRAMME**







**COMMUNITY TRUST**

	TOTAL FORECAST SPEND TO 31/03/18  £'000	ESTIMATED SLIPPAGE / RESCHEDULED FROM 2017/18  £'000	BUDGET 2018/19      2019/20      2020/21  £'000      £'000      £'000			FUTURE YEARS  £'000	PROJECT BUDGET  £'000	PROJECT DESIGN STAGE
Culture & Leisure Strategy			568	522	522			
TOTAL COMMUNITY TRUST			568	522	522			
TOTAL GENERAL PROGRAMME (excluding TIF)			20,625	20,040	19,794			
Slippage Allowance			(2,400)	-	-			
TOTAL GENERAL PROGRAMME (excluding TIF)			18,225	20,040	19,794			

**FALKIRK COUNCIL**

**GENERAL CAPITAL PROGRAMME**

**TIF PROGRAMME**

	TOTAL FORECAST SPEND TO 31/03/18	ESTIMATED SLIPPAGE / RESCHEDULED FROM 2017/18	BUDGET			FUTURE YEARS	PROJECT BUDGET	PROJECT DESIGN STAGE
	£'000	£'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	£'000	£'000	
A801 Avon Gorge	-	-	-	-	2,200	5,835	8,035	
Ice House Brae – Laurieston Road	-	-	-	-	-	3,612	3,612	
Enabling Works	1,840	-	2,551	4,000	1,000	6,703	16,094	
Westfield Roundabout	60	-	2,000	6,075	4,470	5,115	17,720	
Grangemouth Flood Prevention Scheme	270	-	-	-	-	13,633	13,903	
Junction 6 M9	2,463	-	-	-	-	-	2,463	N/A
Junction 5 M9 Phases I & II	1,187	-	1,813	2,183	30	-	5,213	
<b>* TIF - All Projects</b>	<b>5,820</b>		<b>6,364</b>	<b>12,258</b>	<b>7,700</b>	<b>34,898</b>	<b>67,040</b>	
<b>TOTAL GENERAL PROGRAMME (INCLUDING TIF)</b>			<b>24,589</b>	<b>32,298</b>	<b>27,494</b>			

\* Consideration and potential variation to the TIF budget will be the subject of 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**

### **KINNAIRD PRIMARY SCHOOL**

Extension to existing school to alleviate capacity issues.

### **MADDISTON PRIMARY SCHOOL**

Extension to existing school to alleviate capacity issues.

### **DENNY PRIMARY SCHOOL**

Extension to existing school to alleviate capacity issues.

### **LARBERT HIGH SCHOOL**

Expansion into old Carrongrange Primary School to alleviate capacity issues.

### **ASN PROVISION - CAPACITY GROWTH**

Refurbishment to Schools to alleviate the growth in Additional Support Needs.

### **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.

### **COMMUNITY LEARNING & DEVELOPMENT (CLD)**

Rolling Programme provision to address essential building condition upgrades.

## **DEVELOPMENT SERVICES**

### **DESIGN, ROADS & TRANSPORT**

#### **DENNY EASTERN ACCESS ROAD (DEAR)**

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 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.

#### **C116, WATERSLAP ROAD, CARRONSHORE**

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

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

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.

#### **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 WORKS – 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 WORKS – 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 (INCLUDING 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.

## DEVELOPMENT SERVICES – (Continued)

### CYCLING, WALKING, SAFER STREETS

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

### FLOOD ASSESSMENT & MINOR IMPROVEMENTS

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

## PLANNING & ECONOMIC DEVELOPMENT

### 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.

### 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.

### 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.

### CEMETERIES – DETERIORATING HEADSTONES

To fix unsafe headstones that present a health & safety risk.

### FALKIRK COUNTRYSIDE ACCESS STRATEGY FUND

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

## DEVELOPMENT SERVICES – (Continued)

### BO'NESS HARBOUR

To upgrade inner and outer harbour walls.

### KINNEIL HOUSE – WALLED GARDEN

To upgrade the garden walls to make safe this listed property.

## ENVIRONMENTAL SERVICES

### VEHICLE REPLACEMENT

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

### WASTE CONTAINERS

To purchase waste containers for new issue and replacements.

### KINNEIL KERSE LANDFILL RESTORATION

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

### ROAD JUNCTION UPGRADE AT ROUGHMUTE RECYCLING CENTRE

Work required to comply with a planning condition upon the rebuild of the centre.

### SMART WORKING, SMART TRAVEL

This is a Council of the Future project to replace mileage claims with pool vehicles.

## **CORPORATE & HOUSING SERVICES**

### **CORPORATE I.T. INVESTMENT**

Replacement of Corporate file servers and other investment needs to maintain the Council's I.T. services. This will include the implementation of mobile and flexible solutions, renewal of software licences, installation of Wi-Fi in Schools and implementing the Digital Strategy Delivery.

### **WEST AND CENTRAL ADVICE HUBS**

Upgrades to property to allow service delivery from locality hubs.

### **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.

### **ADULT SERVICES (SOCIAL WORK)**

#### **MECS CONVERSIONS**

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

### **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 and other infrastructure.

**FALKIRK COUNCIL**  
**PRUDENTIAL CODE INDICATORS**  
**[including TIF ]**

PRUDENTIAL INDICATOR		2018/19	2019/20	2020/21	COMMENTS
1.	Ratio of Financing Costs to Net Revenue Stream	4%	4%	4%	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				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 2018/19 indicator includes the impact of rescheduled projects from earlier years, estimated slippage from 2017/18. It should be noted however that the impact of these have already been built into the proposed revenue budget. The alternative figures provided assume that the acceleration of DEAR is approved.
2.1	Based on Balanced Programme	£12.53	£2.29	£3.94	
2.2	Including DEAR	£12.53	£16.25	£5.43	
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 requirement of International Financial Reporting Standards (IFRS).
	Gross External Borrowing	277.7	305.2	334.2	
	Accounting Adjustment –				
	Finance Lease Liabilities	<u>97.5</u> <u>375.2</u>	<u>90.7</u> <u>395.9</u>	<u>83.6</u> <u>417.8</u>	
	Capital Financing Requirement (includes HRA)	315.7	343.2	372.2	
	Accounting Adjustment – Finance				
	Lease Liabilities	<u>104.2</u> <u>419.9</u>	<u>97.4</u> <u>440.6</u>	<u>90.6</u> <u>462.8</u>	
				<u>39</u>	

PRUDENTIAL INDICATOR		2018/19	2019/20	2020/21	COMMENTS
4.	Capital Expenditure GF TIF	£'m 18.2 <u>6.4</u> <u>24.6</u>	£'m 20.0 <u>12.3</u> <u>32.3</u>	£'m 19.8 <u>7.7</u> <u>27.5</u>	Simply the planned capital expenditure for the General Fund and TIF as detailed in Appendix 1.
5.	Capital Financing Requirement (General Fund only)	£'m 265.3	£'m 261.6	£'m 254.0	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  327.5 <u>97.5</u> <u>425.0</u>	£'m  339.3 <u>90.7</u> <u>430.0</u>	£'m  356.4 <u>83.6</u> <u>440.0</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 simply a presentational requirement of International Financial Reporting Standards (IFRS).
7.	Operational Boundary (OB) for External Debt:-  Borrowing Accounting Adjustment – Finance Lease Liabilities	£'m  322.5 <u>97.5</u> <u>420.0</u>	£'m  334.3 <u>90.7</u> <u>425.0</u>	£'m  351.4 <u>83.6</u> <u>435.0</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 debt limits they are simply a presentational requirement of 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.





Falkirk Council  
[www.falkirk.gov.uk/budget](http://www.falkirk.gov.uk/budget)