



Agenda Item 5

Five Year General Fund Capital Programme 2019/20 – 2023/24

Falkirk Council

Title: Five Year General Fund Capital Programme 2019/20 – 2023/24

Meeting: Falkirk Council

Date: 27 February 2019

Submitted By: Director of Corporate & Housing Services

1. Purpose of Report

- 1.1 Falkirk Council's Capital Programmes have now been extended from three years to five years to align with the Council's Medium Term Financial Plan. This report sets out a balanced draft capital investment plan for the next five financial years, on all areas of service delivery, with the exception of Council Housing which was reported separately to Council on 23 January 2019. The plan contains ambitious investment of c£220m over five years including the Tax Increment Financing (TIF) Scheme.
- 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 five years, there are certain projects that extend beyond this timeframe e.g. Grangemouth Flood Prevention Scheme.

2. Recommendations

Members are invited to:

- (1) Approve a balanced General Fund 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 June 2018. 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. 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, was considered by the Member Budget Working Group on 4 December 2018.

- 3.3 CIPFA updated both its Prudential Code and Treasury Management Code in December 2017. A key change to these revised Codes, is the requirement for Councils to prepare a Capital Strategy. The Council's Capital Strategy sets out the long term context in which capital expenditure and investment decisions are made and demonstrates the linkage with the Council's Treasury Management Strategy. The Council's Capital Strategy for 2019/20 – 2023/24 is presented as a preliminary report to this report.

4. Considerations

4.1 Resources

- 4.1.1 Overall estimated resources available for the five years total £220m as detailed below:

	£'m
Prudential Borrowing	56.9
Scottish Government Grant	92.8
Capital Receipts	8.2
Other Funding (Planning Obligations, CFCR etc.)	2.8
Prudential Borrowing for TIF Projects	47.1
CFCR (NDRI) for TIF Projects	12.4
Total Estimated Resources	220.2

- 4.1.2 The resources in this programme reflect the challenging economic climate. The Revenue Budget is under severe pressure with a £76m+ gap from 2019/20 to 2023/24. 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 the Revenue Budget 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 The draft Programme includes significant borrowing of c£57m. The borrowing includes c£30m for the new Council HQ and £15m for the new Arts Centre. A further c£4m of borrowing is included for the LED Lighting Replacement project which is being progressed on a Spend to Save basis. The draft programme also includes c£1m for the Front Facing Offices review approved by the Executive in August 2018. Borrowing of c£2m is also included to reflect the estimated reduction in General Capital Grant over the life of the Programme. Borrowing for DEAR was previously budgeted at £3.7m, however this has now been increased to £4.3m. The increase of c£0.6m is to replace the CFCR contribution of c£0.6m which is now being utilised to repay loan charge debt to deliver savings to future Revenue Budgets.
- 4.1.4 The 2019/20 General Capital Grant of £15.3m, announced by the Scottish Government includes the expected 2016/17 re-profiling adjustment of £150m across all Councils. Falkirk's share of this is c£2.6m.
- 4.1.5 The base 2019/20 General Capital Grant has been confirmed at £12.7m which is c£0.35m lower than estimated. The impact of this flows through years 2 to 5 of the Programme which means an overall reduction in Capital Grant of £1.8m. This has been replaced by borrowing (see paragraph 4.1.3).

- 4.1.6 The draft Programme includes £15.8m of estimated Government Grant for the Grangemouth Flood Prevention Scheme and £1.1m for Cycling, Walking & Safer Streets.
- 4.1.7 The draft Programme includes Scottish Government grant funding for Early Learning & Childcare (ELC). The allocations for 2019/20 and 2020/21 are £5.8m and £4m respectively which is matched by an equivalent amount of expenditure within the draft Programme.
- 4.1.8 Capital receipts are fairly low reflecting market conditions. The anticipated receipts includes various surplus property assets such as Seabegs Road (£0.5m), Denny High School site (£1.5m), Bonnybridge Social Club (£0.2m), Bainsford Day Centre (£0.2m), Oakbank Residential Home (£0.3m) and sale of land at Banknock (£0.5m) . Also included are £2m of earmarked capital receipts which are to fund investment in the Council's commercial and industrial property portfolio at Abbotsford Business Park (see paragraph 4.2.5.5). Within the Capital Receipts Reserve, a further £2.6m is to be applied to fund the General Capital Programme. Across the five years of the Programme, capital receipts of £8.2m are included. However it should be noted that as part of the Council's Treasury Strategy to deliver revenue savings, capital receipts may be used to repay debt, thereby reducing loan charges to the Revenue Budget.
- 4.1.9 Other Funding consists of known planning obligations from Developers (£1.9m), which will be applied to fund a number of school extensions. Also included is £0.9m of CFCR (Capital Funded from Revenue Contributions) to fund Software Licences.
- 4.1.10 Prudential Borrowing for projects included in the Tax Increment Financing (TIF) Scheme has been shown separately in paragraph 4.1.1, 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 five years is funded by borrowing of £47.1m and CFCR of £12.4m.
- 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 2018/19 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 the budget for Older Peoples' Accommodation be rescheduled to future years. 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 2019/20 – 2023/24 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 2018/19 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, £1.2m for phase III (phases I and II will be complete by 2018/19); Maddiston Primary School, £4m for phases I and II and £2.2m for Denny Primary School, £1.3m of which is funded from Developer Contributions.

4.2.4.2 The draft Programme also includes £1.2m for the expansion at Larbert High School and £0.6m for ASN capacity growth.

4.2.4.3 Rolling Programmes of £8.2m will continue to fund general property improvements to address condition surveys and capacity issues for all schools.

4.2.4.4 The Scottish Government funded Early Learning & Childcare project is included at a cost of £9.8m over 2019/20 and 2020/21. Scottish Government also allocated c£6.3m of funding in previous years, £4.3m of which remains unspent and will be carried forward to 2019/20. The total value of the project is c£16m as detailed in Appendix 1.

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 (£31m).

4.2.5.2 Specific Roads projects include the Denny Eastern Access Road at a cost of £4.6m (£1m budgeted in 2018/19); A904 Snab Brae Roundabout at a cost of £1.2m and £1.8m for works at Waterslap Road, Carronshore.

4.2.5.3 The draft Programme includes c£4m for the replacement of LED lanterns. This is an energy efficient street lighting scheme and is being progressed on a spend to save basis.

4.2.5.4 The draft Programme includes £15.8m for the Grangemouth Flood Prevention Scheme. The total project spend is £152m, of which £12.7m is included within the TIF project, with the remaining £139.3m forming the main project spend. The preliminary works have commenced (£4.8m forecast up to 31 March 2019) with the major project spend of £118.7m extending beyond 2023/24. The main project spend of £139.3m assumes Council funding (£17.7m) and Scottish Government grant (£121.6m), over the life of the project. This is a significant commitment and investment given the economic projections, and likely resources.

4.2.5.5 The draft Programme also includes £2m of investment for the Council's commercial and industrial portfolio at Abbotsford Business Park. This is dependent on capital receipts being generated (see paragraph 4.1.8).

4.2.5.6 Budgets are also included for upgrades to the Council's core parks and playparks (£0.9m).

4.2.5.7 Provision of £1.8m is made for investment at Cemeteries, including stabilisation of deteriorating headstones (£0.5m) and external works at the Crematorium (£0.6m).

4.2.5.8 The rolling programme for the replacement of the Council's operational vehicles is also included within the Programme (£8.4m).

4.2.6 Corporate & Housing Services

4.2.6.1 There is provision for a number of IT business transformation enabling projects geared to the Council of the Future (CotF) digital agenda. The value of IT projects equates to £7.3m and includes £4.4m for the Microsoft Office 365 licence (total cost of annual licence over five years of the Programme). Also included is £0.6m for the purchase of Azure Web Space for data storage on the Cloud (CotF). This secure Cloud storage will allow the Council to reduce the hardware for data storage on premises. There is also £0.5m for various Server Replacement programmes and £0.3m for Mobile Hardware to support Mobile & Flexible Working in Social Work, following the roll out of the Social Work Information Management System (SWIS).

4.2.6.2 The draft Programme includes £1.9m for re-investment in those properties that are to be retained following the completion of the Strategic Property Review. There is also £0.7m included for general investment in accommodation and £1.1m for the Front Facing Office review.

4.2.6.3 A preliminary estimate of £29.5m has been included for the new Council Headquarters (a further £0.5m is estimated beyond year five). A new Arts Centre is also included at an estimated cost of £15m over the five years of the Programme. The costings will be reviewed following tender returns.

4.2.7 Social Work (Adult Services)

4.2.7.1 The draft Programme includes £0.2m for the replacement of MECS equipment and £0.6m for the conversion of the MECS analogue boxes to digital. In addition £0.45m is included for a new Independence Clinic & Adult Changing Facilities.

4.2.7.2 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. As this budget was approved as part of previous Budget deliberations and there is no definitive position on spend and timing, it is 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£2.6m). In addition a further £1.1m is included for works at the Mariner Centre and Stenhousemuir Gym. These works should enhance both properties and generate significant additional revenue streams.

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, M9 Junction 6, phases I and II of the M9

Junction 5, Enabling Works and the Grangemouth Flood Prevention Scheme. For completeness, the TIF initiative has been included in this report. However, as previously advised the progress on TIF projects will be reported separately to Members by Development Services.

4.3 Revenue Implications

4.3.1 As stated in paragraph 4.1.3, c£57m of borrowing is included within the draft Programme. The majority of this borrowing is attributable to capital costs of c£53m, with the main elements being in relation to the Council HQ (c£30m) and Arts Centre (£15m). The costs for both of these projects are very much preliminary estimates and as substantial as they are, there is uncertainty over the timing and the final costs of the projects.

4.3.2 As the consequences of capital investment ultimately flow through to the Revenue Budget in the form of loan charges and running costs, then this significant increase in borrowing will have a detrimental impact on the Revenue Budget gap. Based on the estimated spend and the profile of that spend, the additional loan charges applicable to the Council HQ/Arts Centre are detailed below:

	Council HQ £'m	Arts Centre £'m	Total £'m
2019/20	-	-	-
2020/21	0.025	0.011	0.036
2021/22	0.172	0.046	0.218
2022/23	0.297	0.224	0.521
2023/24	0.324	0.737	1.061
Impact on MTFP	0.818	1.018	1.836
Annual Charge beyond MTFP	1.592	0.786	2.378

4.3.3 It will be evident that these assumed costs will impact most acutely at the very end of the current five year Medium Term Financial Plan with an estimated annual charge of c£2.4m in the next iteration. The scale of the revenue impact may give further impetus to reviewing the concurrent development of the Arts Centre.

4.3.4 These figures will be updated as cost estimates and timing of spend become clearer.

4.4 Slippage Allowance

4.4.1 A slippage allowance of £3.5m has been built into 2019/20. 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.

4.4.2 As previously advised to Members, Internal Audit carried out a review of the General Fund Capital Programme, including arrangements for dealing with slippage. A number of key controls have now been introduced to monitor and reduce slippage, thereby ensuring, as far as possible, that future slippage will be within the £3.5m allowance.

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 five year Programme. These indicators are based on the balanced Programme as detailed in Appendix 1.

4.6 Capital Reporting

- 4.6.1 The Council's 2019/20 Revenue Budget proposals which are reported separately at this meeting, are grouped together under the following themes:

- Non-transformational
- Services of the future
- Enabled communities
- Digital
- Transformational enablers
- Entrepreneurial services

- 4.6.2 Future Capital reports will be aligned to these themes to ensure consistency with the Revenue Budget.

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 2019, and any projects which have previously been rescheduled.

Resources

- 6.2 The substantial increase in borrowing will impact on the Revenue Budget. Other significant borrowing may be required for the Council HQ and the Arts Centre, should the costings in the tender returns be greater than provisionally estimated.

Legal

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

Risk

- 6.4 There is a risk that the cost of any major stand-alone projects which have slipped or been rescheduled may increase because of construction inflation.
- 6.5 There is a risk that the Scottish Government General Capital Grant included in the programme for 2020/21 to 2023/24, will be different from that estimated. This could therefore require a revision in the number of projects included in the Programme.

Equalities

- 6.6 The Capital bid templates that were completed required Services to confirm whether a Equality and Poverty Impact Assessment was required (EPIA). Adult Services indicated that EPIA's were required for all three projects included in the draft programme. Initial EPIA's were completed and confirmed that inclusion of the projects within the draft Programme, was considered to have a positive impact and that a full EPIA was therefore not required.
- 6.7 The bid sheets for the Council Headquarters and the Arts Centre both indicated that EPIA's were required. However as both of these projects are very much in their infancy, EPIA's will be carried out in the future once the position becomes clearer about the details of the projects.

Sustainability/Environmental Impact

- 6.8 The Capital bid templates that were completed, required Services to confirm whether a Strategic Environmental Assessment (SEA) was necessary. Only two individual projects required a SEA, i.e. Council Headquarters and the Arts Centre. Both of these projects are very much in their infancy and SEAs will be carried out in the future once the position becomes clearer about the details of the projects.

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 Notwithstanding that Appendix 1 presents a draft balanced Programme, there is uncertainty regarding the final costs for the Council Headquarters and the Arts Centre.
- 7.3 The Capital Programme has to be managed carefully recognising that the Revenue Budget is under severe pressure, even more so given the substantial amount of borrowing that is included in the draft Programme. Consequently 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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Appendices

Appendix 1 – General Capital Programme 2019/20 – 2023/24

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 8/2018

FALKIRK COUNCIL

**GENERAL
CAPITAL PROGRAMME**

2019/20 to 2023/24

**FIVE YEAR
INVESTMENT PLAN**

GENERAL - CAPITAL PROGRAMME

FIVE YEAR

INVESTMENT PLAN

2019/20 to 2023/24

INDEX

Section 1	Summary of Investment Plans
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
	Social Work (Adult Services)
	Community Trust
	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
	Social Work (Adult Services)
	Community Trust
	TIF

SECTION 1
SUMMARY OF INVESTMENT PLANS

FALKIRK COUNCIL - GENERAL CAPITAL PROGRAMME

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	TOTAL £000
<u>EXPENDITURE</u>						
CHILDREN'S SERVICES	10,424	8,654	4,855	1,638	1,637	27,208
DEVELOPMENT SERVICES	18,884	13,154	14,506	9,639	20,558	76,741
CORPORATE & HOUSING SERVICES	4,193	5,551	8,774	24,923	11,984	55,425
SOCIAL WORK (ADULT SERVICES)	496	496	146	46	43	1,227
COMMUNITY TRUST	1,622	508	508	508	506	3,652
TIF	11,355	16,353	9,411	7,481	14,874	59,474
SLIPPAGE ALLOWANCE	(3,500)	-	-	-	-	(3,500)
TOTAL EXPENDITURE (INCLUDING TIF)	43,474	44,716	38,200	44,235	49,602	220,227
<u>RESOURCES</u>						
FALKIRK COUNCIL BORROWING	4,710	7,216	12,927	10,462	21,596	56,911
SCOTTISH GOVERNMENT GRANTS	21,775	18,279	13,799	26,079	12,919	92,851
CAPITAL RECEIPTS – PROPERTY SALES	4,276	2,335	1,530	30	30	8,201
OTHER FUNDING (Grants/ Section 75/CFCR)	1,358	533	533	183	183	2,790
TOTAL RESOURCES (EXCLUDING TIF)	32,119	28,363	28,789	36,754	34,728	160,753
TIF RESOURCES						
Borrowing	8,465	13,879	7,035	5,244	12,495	47,118
CFCR (NDRI)	2,890	2,474	2,376	2,237	2,379	12,356
TOTAL RESOURCES (INCLUDING TIF)	43,474	44,716	38,200	44,235	49,602	220,227

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 31/03/19	Estimated C/F From 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Future Years	Project Budget	Project Design Stage
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Major Projects										
Kinnaird Primary School Extension Phase III			-	425	805	-	-	-	1,230	
Maddiston Primary School Extension Phase I			1,500	1,200	529	-	-	-	3,229	
Maddiston Primary School Extension Phase II			-	39	748	-	-	-	787	
Denny Primary School Extension			1,111	751	345	-	-	-	2,207	
Larbert High School Phases III - V	484	792	100	326	790	-	-	-	2,492	
Early Year Expansion	1,932	4,320	5,800	4,000	-	-	-	-	16,052	
			8,511	6,741	3,217	-	-			
Other Investment										
All Schools Fund			1,638	1,638	1,638	1,638	1,637			
ASN Provision			275	275	-	-	-			
			1,913	1,913	1,638	1,638	1,637			
TOTAL CHILDREN'S SERVICES			10,424	8,654	4,855	1,638	1,637			







FALKIRK COUNCIL – GENERAL CAPITAL PROGRAMME

DEVELOPMENT SERVICES

	Total Forecast Spend to 31/03/19 £'000	Estimated C/F From 2018/19 £'000	Budget 2019/20 £'000	Budget 2020/21 £'000	Budget 2021/22 £'000	Budget 2022/23 £'000	Budget 2023/24 £'000	Future Years £'000	Project Budget £'000	Project Design Stage
DESIGN, ROADS & TRANSPORT										
Major Projects										
Denny Eastern Access Road	2,079	690	4,000	560	-	-	-	-	7,329	
Snab Brae, Bo'ness Roundabout			80	-	625	460	-	-	1,165	
C116 Waterslap Rd; Carronshore			-	158	1,592	-	-	-	1,750	
Energy Efficient Street Lighting – LED Lantern Replacement			1,310	1,310	1,310	-	-	-	3,930	
Grangemouth Flood Prevention Scheme	3,785	1,029	2,222	520	1,700	-	11,383	118,661	139,300	
			7,612	2,548	5,227	460	11,383			







FALKIRK COUNCIL – GENERAL CAPITAL PROGRAMME

DEVELOPMENT SERVICES (CONT'D)

	Total Forecast Spend to 31/03/19	Estimated C/F From 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Future Years	Project Budget	Project Design Stage
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Major Improvements & Structural Works										
Bridge Assessment & Strengthening			772	772	772	772	772			
Structural Maintenance – Roads			3,817	3,817	3,817	3,817	3,813			
Structural Maintenance – Street Lighting			929	929	929	929	929			
Roads Safety (including Cycling & Pedestrian Schemes)			279	279	279	279	279			
Cycling, Walking, Safer Streets			255	211	211	211	211			
Flooding Assessments & Minor Improvements			140	140	140	140	140			
			6,192	6,148	6,148	6,148	6,144			
TOTAL DESIGN, ROADS & TRANSPORT			13,804	8,696	11,375	6,608	17,527			







FALKIRK COUNCIL – GENERAL CAPITAL PROGRAMME

DEVELOPMENT SERVICES (CONT'D)

	Total Forecast Spend to 31/03/19	Estimated C/F From 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Future Years	Project Budget	Project Design Stage
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
PLANNING, ECONOMIC & DEVELOPMENT										
Factory Buildings & Industrial Estates										
Business Property Reinvestment			1,000	1,000	-	-	-			
Business Property Portfolio – Upgrades			342	342	342	342	342			
Other Local Services										
Core Park Improvements			90	90	90	90	90			
Playpark Upgrades			84	84	84	84	84			
Crematorium – New Office Space			344	7	-	-	-			
Crematorium – External Works			100	100	-	-	-			






FALKIRK COUNCIL – GENERAL CAPITAL PROGRAMME

DEVELOPMENT SERVICES (CONT'D)

	Total Forecast Spend to 31/03/19 £'000	Estimated C/F From 2018/19 £'000	Budget 2019/20 £'000	Budget 2020/21 £'000	Budget 2021/22 £'000	Budget 2022/23 £'000	Budget 2023/24 £'000	Future Years £'000	Project Budget £'000	Project Design Stage
Cemeteries – Stabilise Deteriorating Headstones			117	117	117	117	117			
Cemeteries – Additional Interment Space & Improvements			250	320	100	-	-			
Falkirk Countryside Access Strategy			37	37	37	37	37			
Bo'ness Harbour			108	108	108	108	108			
Kinneil House – Walled Garden			88	88	88	88	88			
Retaining Wall – Camelon Rd;/Tanners Rd;			35	-	-	-	-			
TOTAL PLANNING, ECONOMIC & DEVELOPMENT			2,595	2,293	966	866	866			

FALKIRK COUNCIL – GENERAL CAPITAL PROGRAMME

DEVELOPMENT SERVICES (CONT'D)

	Total Forecast Spend to 31/03/19	Estimated C/F From 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Future Years	Project Budget	Project Design Stage
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
ENVIRONMENTAL SERVICES										
Other Investment										
Vehicle Replacement Programme			1,672	1,672	1,672	1,672	1,672			
Kinneil Kerse Landfill Restoration			279	279	279	279	279			
Waste Containers			214	214	214	214	214			
Dalgrain Depot – Vehicle Wash Facility			120	-	-	-	-			
Smart Working, Smart Travel – Phase II			200	-	-	-	-			
TOTAL ENVIRONMENTAL SERVICES			2,485	2,165	2,165	2,165	2,165			
TOTAL DEVELOPMENT SERVICES			18,884	13,154	14,506	9,639	20,558			

FALKIRK COUNCIL - GENERAL CAPITAL PROGRAMME

CORPORATE & HOUSING SERVICES

	Total Forecast Spend to 31/03/19 £'000	Estimated C/F From 2018/19 £'000	Budget 2019/20 £'000	Budget 2020/21 £'000	Budget 2021/22 £'000	Budget 2022/23 £'000	Budget 2023/24 £'000	Future Years £'000	Project Budget £'000	Project Design Stage
CORPORATE I.T. INVESTMENT										
Microsoft Office 365 Licences			788	827	868	912	957			N/A
FSLOGIX Software for Office 365/Citrix			33	33	33	-	-			N/A
Azure Web Space for Cloud			97	104	112	120	129			N/A
Extension of Existing I.T. Backup			50	-	-	-	-			N/A
Digital Strategy Delivery			100	-	-	-	-			N/A
Remote Desktop Server Access			38	40	42	44	46			N/A
Replacement of Application Servers			85	85	85	85	85			N/A
Replacement of Exchange Servers			90	-	-	-	-		-	N/A






FALKIRK COUNCIL - GENERAL CAPITAL PROGRAMME

CORPORATE & HOUSING SERVICES (CONT'D)

	Total Forecast Spend to 31/03/19	Estimated C/F From 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Future Years	Project Budget	Project Design Stage
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
OTHER SERVICES I.T. INVESTMENT										
<u>Social Work (Adult Services)</u>										
Mobile Hardware to support SWIS			150	180	-	-	-			N/A
<u>Children's Services</u>										
Microsoft Licenses			105	110	115	120	125			N/A
Replacement of Backup Solution			90	-	-	-	-			N/A
Online School Payments			25	25	-	-	-			N/A
Refresh PC Estate in Schools/Nurseries			300	-	-	-	-			N/A
WiFi in Nurseries & Special Schools			30	-	-	-	-			N/A
TOTAL I.T.			1,981	1,404	1,255	1,281	1,342			




FALKIRK COUNCIL - GENERAL CAPITAL PROGRAMME

CORPORATE & HOUSING SERVICES (CONT'D)

	Total Forecast Spend to 31/03/19	Estimated C/F From 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Future Years	Project Budget	Project Design Stage
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
CENTRAL SUPPORT										
Major Projects										
Council HQ/Back Office			500	3,000	2,500	13,500	10,000	500	30,000	
New Arts Centre			220	720	3,560	10,000	500	-	15,000	
			720	3,720	6,060	23,500	10,500			
Other Investment										
Front Facing Offices			1,100	-	-	-	-			
Accommodation Investment			142	142	142	142	142			
Strategic Property Review			250	285	1,317	-	-			
			1,492	427	1,459	142	142			
TOTAL CENTRAL SUPPORT			2,212	4,147	7,519	23,642	10,642			
TOTAL CORPORATE & HOUSING SERVICES			4,193	5,551	8,774	24,923	11,984			



FALKIRK COUNCIL - GENERAL CAPITAL PROGRAMME

SOCIAL WORK (ADULT SERVICES)

	Total Forecast Spend to 31/03/19	Estimated C/F From 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Future Years	Project Budget	Project Design Stage
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
MECS – Alarm Replacement			46	46	46	46	43			
MECS – Conversion from Analogue to Digital			350	200	-	-	-			
Independence Clinic & Adult Changing Facilities			100	250	100	-	-			
TOTAL SOCIAL WORK (ADULT SERVICES)			496	496	146	46	43			

FALKIRK COUNCIL - GENERAL CAPITAL PROGRAMME








COMMUNITY TRUST

	Total Forecast Spend to 31/03/19	Estimated C/F From 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Future Years	Project Budget	Project Design Stage
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Culture & Leisure Strategy			522	508	508	508	506			
Mariner Centre /Stenhousemuir Gym			1,100	-	-	-	-			
TOTAL COMMUNITY TRUST			1,622	508	508	508	506			

TOTAL GENERAL CAPITAL PROGRAMME (excluding TIF)			35,619	28,363	28,789	36,754	34,728		
Slippage Allowance			(3,500)	-	-	-	-		
TOTAL GENERAL PROGRAMME (excluding TIF)			32,119	28,363	28,789	36,754	34,728		

FALKIRK COUNCIL - GENERAL CAPITAL PROGRAMME

TIF

	Total Forecast Spend to 31/03/19	Estimated C/F From 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Future Years	Project Budget	Project Design Stage
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Junction 6 – M9	2,463	-	-	-	-	-	-		2,463	N/A
Junction 5 M9 – Phase I	2,111	-	1,017	-	-	-	-		3,128	
Junction 5 M9 – Phase II	-	-	2,361	34	-	-	-		2,395	
Icehouse Brae	18	-	-	-	-	-	3,232		3,250	
Westfield Roundabout	636	-	5,754	13,808	5,833	4,550	-		30,581	
Enabling Works	2,338	-	2,223	-	-	-	-		4,561	
Avon Gorge	-	-		2,511	3,578	1,831	-		7,920	
Grangemouth Flood Prevention Scheme	-	-	-	-	-	1,100	11,642		12,742	
TIF All Projects	7,566	-	11,355	16,353	9,411	7,481	14,874		67,040	
TOTAL GENERAL CAPITAL PROGRAMME (including TIF)			43,474	44,716	38,200	44,235	49,602			

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 School and major alterations to alleviate capacity issues.

EARLY LEARNING & CHILDCARE

Scottish Government initiative to expand to 1140 hours

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.

ASN PROVISION - CAPACITY GROWTH

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

DEVELOPMENT SERVICES

DESIGN, ROADS & TRANSPORT

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.

C116, WATERSLAP ROAD, CARRONSHORE

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

LED LANTERN REPLACEMENT - LIGHTING

The replacement of standard lighting to energy efficient LED lanterns. This is a Spend to Save project.

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.

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.

DEVELOPMENT SERVICES – (Continued)

DESIGN, ROADS & TRANSPORT (Continued)

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.

FLOOD ASSESSMENT & MINOR PROJECTS

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

DEVELOPMENT SERVICES – (Continued)

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.

BUSINESS PROPERTY PORTFOLIO – UPGRADE PROGRAMME

A programme of improvements and upgrades to the Council's portfolio of commercial property to ensure it continues to meet the needs of businesses locating or growing in the Council area.

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 – NEW OFFICE SPACE

Construction of new office space at the Crematorium.

CREMATORIUM – EXTERNAL WORKS

Upgrading of crematorium grounds and creation of memorial gardens.

CEMETERIES – STABILISE DETERIORATING HEADSTONES

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

CEMETERIES – DEVELOPMENT

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

DEVELOPMENT SERVICES – (Continued)

PLANNING & ECONOMIC DEVELOPMENT (Continued)

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.

KINNEIL HOUSE – WALLED GARDEN

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

RETAINING WALL – CAMELON ROAD/TANNERS ROAD, FALKIRK

The reconstruction of damaged wall.

DEVELOPMENT SERVICES – (Continued)

ENVIRONMENTAL SERVICES

VEHICLE REPLACEMENT

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

KINNEIL KERSE LANDFILL RESTORATION

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

WASTE CONTAINERS

To purchase waste containers for new issue and replacements.

DALGRAIN DEPOT – VEHICLE WASH FACILITY

Construction of vehicle wash facility to cease use of third party facility. This is a Spend to Save project.

SMART WORKING, SMART TRAVEL PHASE II

This is phase II of this Council of the Future project to replace mileage claims with pool vehicles.

CORPORATE & HOUSING SERVICES

INFORMATION TECHNOLOGY INVESTMENT

CORPORATE I.T. INVESTMENT

Various software licences including Microsoft Office 365 Licences, replacement of Corporate file servers and other investment needs to maintain the Council's I.T. services, including Digital Strategy Delivery.

OTHER SERVICES I.T INVESTMENT

Adult Services (Social Work)

Mobile Devices to be used by staff following the roll out of the new Social Work Information System (SWIS)

Children's Services

I.T investment across the School estate including Microsoft Licenses, refresh of PC Estate in Schools & Nurseries

CENTRAL SUPPORT

COUNCIL HQ

Investment in new Council HQ to replace Municipal Buildings and other Back Offices.

ARTS CENTRE

Investment in new Arts Centre to replace Falkirk Town Hall

FRONT FACING OFFICES

Restructure and investment in retained Front Facing offices. This is a Spend to Save project

ACCOMMODATION INVESTMENT

Provision towards improvements to Council's operational properties.

STRATEGIC PROPERTY REVIEW

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.

SOCIAL WORK (ADULT SERVICES)

MECS – OPERATIONS

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

MECS CONVERSIONS

Transfer of MECS analogue boxes to digital.

INDEPENDENCE CLINIC & ADULT CHANGING FACILITIES

Locality based services to be further developed for all Service users within the East, West and Central Localities.

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.

MARINER/STENHOUSEMUIR GYM - ADDITIONAL INVESTMENT

Investment to enhance existing operational facilities in order to generate significant additional revenue streams.

TIF

TIF PROGRAMME

Includes a number of projects such as the Grangemouth flood defences, Westfield Roundabout, Avon Gorge and other infrastructure.

FALKIRK COUNCIL
PRUDENTIAL CODE INDICATORS
[including TIF]

PRUDENTIAL INDICATOR		2019/20	2020/21	2021/22	2022/23	2023/24	COMMENTS
1.	Ratio of Financing Costs to Net Revenue Stream	4%	4%	4%	4%	4%	Shows how much of the Council's income is committed to repaying debt arising from Capital investment.
2.	Gross Borrowing	£'m	£'m	£'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.
	Gross External Borrowing	303.8	355.9	414.6	449.2	491.0	
	Accounting Adjustment – Finance Lease Liabilities	<u>90.7</u> <u>394.5</u>	<u>83.6</u> <u>439.5</u>	<u>76.4</u> <u>491.0</u>	<u>68.0</u> <u>517.2</u>	<u>58.8</u> <u>549.8</u>	
	Capital Financing Requirement (includes HRA)	336.6	388.8	447.5	483.2	527.3	
	Accounting Adjustment – Finance Lease Liabilities	<u>97.5</u> <u>434.1</u>	<u>90.6</u> <u>479.4</u>	<u>83.5</u> <u>531.0</u>	<u>76.3</u> <u>559.5</u>	<u>67.8</u> <u>595.1</u>	
3.	Capital Expenditure	£'m	£'m	£'m	£'m	£'m	Simply the planned capital expenditure for the General Fund and TIF as detailed in Appendix 1.
	GF	32.1	28.4	28.8	36.7	34.7	
	TIF	<u>11.4</u>	<u>16.3</u>	<u>9.4</u>	<u>7.5</u>	<u>14.9</u>	
		<u>43.5</u>	<u>44.7</u>	<u>38.2</u>	<u>44.2</u>	<u>49.6</u>	

PRUDENTIAL INDICATOR		2019/20	2020/21	2021/22	2022/23	2023/24	COMMENTS
4.	Capital Financing Requirement (excludes HRA)	£'m 259.8	£'m 271.1	£'m 274.6	£'m 273.3	£'m 288.5	The Capital Financing Requirement reflects the underlying need to borrow for Capital Investment for the General Fund and TIF.
5.	Authorised Limit (AL) for External Debt:- Borrowing Accounting Adjustment - Finance Lease Liabilities	£'m 349.3 <u>90.7</u> <u>440.0</u>	£'m 401.4 <u>83.6</u> <u>485.0</u>	£'m 463.6 <u>76.4</u> <u>540.0</u>	£'m 497.0 <u>68.0</u> <u>565.0</u>	£'m 546.2 <u>58.8</u> <u>605.0</u>	This sets the maximum level of External Debt, based on capital investment plans and allowing some headroom over the Operational Boundary (see 6) 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).
6.	Operational Boundary (OB) for External Debt:- Borrowing Accounting Adjustment – Finance Lease Liabilities	£'m 344.3 <u>90.7</u> <u>435.0</u>	£'m 396.4 <u>83.6</u> <u>480.0</u>	£'m 458.6 <u>76.4</u> <u>535.0</u>	£'m 492.0 <u>68.0</u> <u>560.0</u>	£'m 541.2 <u>58.8</u> <u>600.0</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).
7.	Actual External Debt	£'m <u>N/A</u>					This is an actual rather than estimated Indicator and will be reported when outturns become available.
8.	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