

Three Year
General Capital
Programme
2016/17 –
2018/19

FALKIRK COUNCIL

Subject: THREE YEAR GENERAL CAPITAL PROGRAMME 2016/17 – 2018/19
Meeting: FALKIRK COUNCIL
Date: 17 February 2016
Author: DIRECTOR OF CORPORATE & HOUSING SERVICES

1. INTRODUCTION

- 1.1 This report and appendices set out the proposed capital investment plans of Falkirk Council for the next three financial years on all areas of service delivery, with the exception of Council Housing which is reported separately to this Council meeting. The proposals contain ambitious investment plans of c£100m over 3 years including the Tax Increment Financing (TIF) scheme.
- 1.2 The investments are based on an estimated level of resources as outlined in Section 3 of this report and any variations in these resources will have inevitable consequences on the programme as it moves forward.
- 1.3 Whilst the programme details investment over the next 3 years, there are certain projects that extend beyond this timeframe e.g. TIF.

2. BACKGROUND

- 2.1 Capital bids templates were sent out to Services at the beginning of the Capital Budget process. The information included in the bid sheets was used as the primary basis for assessing the bids. The assessment process included alignment with the Council's priorities, as agreed in the Single Outcome Agreement, in addition to the statutory requirements of the Service, and the risks and asset management implications of each project.

3. RESOURCES

- 3.1 Overall resources available for the 3 years total c£100m as detailed below:

Resources	£'m
Prudential Borrowing	7
Scottish Government Grant	48
Capital Receipts	6
Other Funding (Planning Obligations etc.)	6
Prudential Borrowing/CFCR for TIF Projects	33
Total Resources	100

- 3.2 The resources in this programme reflect the challenging economic climate. The revenue budget is under severe pressure and following the Scottish Government financial settlement announced in December, the projected £45m budget gap over 2016/17 to 2018/19 has now increased to £52m. 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.
- 3.3 The 2016/17 general capital grant settlement announced by the Scottish Government includes the impact of a re-profiling adjustment of £150m across all Councils which will be repaid in the next Settlement period (2017-20). This re-profiling adjustment equates to a reduction of c£2.6m for Falkirk Council with our grant settlement being confirmed at £10.5m (£10.2m after allocation of Private Sector Housing Grants). The table below shows a comparison with the 2015/16 general capital grant.

	Prior to Re-profiling	Re-Profiling Adj't	Re-Profiled Grant
	£'m	£'m	£'m
2016/17 Grant	13.099	(2.585)	10.514
2015/16 Grant	12.267	-	12.267
Variance	0.832	(2.585)	(1.753)
Variance	6.8%		(14.3%)

As can be seen from the table above there is an overall increase in capital grant of 6.8% prior to the re-profiling adjustment and a reduction of 14.3% after the re-profiling adjustment. The general capital grant for 2017/18 and 2018/19 has been estimated and is based on 2016/17 levels prior to the re-profiling adjustment.

- 3.4 The draft programme assumes £8.1m of Scottish Government Grant funding for the new Additional Support Needs (ASN) secondary school (£8.8m over the life of the project). This is based on 50% funding for all construction costs and external/internal fees.
- 3.5 The Scottish Government has confirmed that Falkirk Council will receive grant monies towards the funding of the purchase of the former Focus School at Laurieston. The level of contribution is to be discussed with the Scottish Futures Trust and as such has not been included in the draft programme. Any monies received will be utilised to reduce the overall borrowing included in the draft programme.
- 3.6 Capital receipts reflect current market conditions and the likely impact on our ability to generate additional resources to fund the programme. The anticipated receipts include the sale of surplus property assets such as the site at Seabegs Road. Also included are property disposals in respect of Falkirk High School, Denny High School and Torwood School. Across the three years of the programme, capital receipts of £5.7m are included with £0.8m being used to repay Loans Fund debt in order to release further savings to the Revenue Budget (see para 3.9)
- 3.7 Other Funding consists of known planning obligations from Developers and in particular the contribution towards DEAR (£2.7m). In addition funding from Repairs and Renewals (£0.6m) is included and external contributions from Network Rail (£0.5m).

- 3.8 Prudential Borrowing for projects included in the Tax Increment Financing (TIF) Scheme has been shown separately given both its scale and unique nature. In addition to borrowing of £29.7m, the TIF projects are also funded from Non-Domestic Rates Income (NDRI) of £3.7m.
- 3.9 Limited additional Prudential Borrowing has been included in the draft programme beyond that which has previously been approved by Members. In overall terms Borrowing equates to £7.8m (excluding TIF) and repayments are considered to be manageable within the confines of the Prudential Borrowing rules, as reflected in Appendix 2. All Prudential Borrowing (excluding TIF) will take place in year 1 with no borrowing in year 2 and a Loans Fund debt repayment of £0.8m in year 3 (funded from Capital Receipts per para 3.6). Given the severe pressure the Revenue Budget is under this debt repayment has reduced the loan charges by c£0.2m per annum. It should be noted that borrowing costs are impacted by interest rate estimates and should interest rates materially change, borrowing levels may have to be reviewed and reduced. It is evident that interest rates are historically low and in consequence can only increase. Additional revenue budget pressures may also require a review of borrowing costs going forward.

4. SERVICE INVESTMENT

- 4.1 The programme (Appendix 1) represents the full range of proposed projects. These will be supplemented in due course by carry forward expenditure attributable to delays caused by factors such as weather conditions, but this position will not be known until the close of the financial year. Members previously agreed that a number of projects would be re-scheduled to future years e.g. Older Peoples Accommodation, Crematorium, ASN School etc. The value of these re-scheduled projects will also be added to the approved 2016/17 – 2018/19 capital programme. The combined value of estimated 2015/16 slippage for major projects and re-scheduled projects have been shown separately in Appendix 1.
- 4.2 The format of the budget provides Members with additional information on the major stand-alone projects. Appendix 1 shows the total project budget along with the split over a number of years. Members have also been given information on the design stage a project is currently at.
- 4.3 The following paragraphs give an overview of the most significant Service projects.
- 4.4 **Children's Services**
- 4.4.1 Investment continues to be made to properties across the school estate, with the most notable single project being the new ASN secondary school. Members were previously advised that the cost of the project was £17.568m, However, as reported to the Education Executive on 2 February 2016, a further £0.166m of local infrastructure enabling works is to be undertaken and these works will be funded from the 2015/16 "All Schools" rolling programme budget. The overall cost of the project is £17.734m which has been reflected in the programme along with Scottish Government grant funding of £8.8m.

4.4.2 The draft programme also includes £1.0m for the extension at Kinnaird Primary School in 2017/18. This will be supplemented by a further £1.4m carried forward from the Early Years budget within Children's Services and overall £2.4m will be available to fund phase 1 of the Kinnaird Primary School extension. The overall estimated cost of this project is £6.0m, however at this point in time, Members are only being asked to approve phase 1 of the project at a cost of £2.4m. Phase 1 relates to the Early Years Campus and when the works are complete three to four classrooms which will be freed up will help to alleviate capacity issues elsewhere in the school. Phase 2 of the project (£3.6m) will be presented to Members for consideration as part of a future capital programme.

4.4.3 Rolling Programmes of £5.6m will continue to fund general property improvements to address condition surveys, capacity issues for all schools and any essential upgrades to Community Education properties.

4.5 **Development Services**

4.5.1 Roads projects include provision for structural works on the Council's roads network along with continued investment in Bridge Strengthening and Lighting upgrades (£12.8m).

4.5.2 Provision has been made for a new roundabout at Snab Brae, Bo'ness and will now commence in 2018/19.

4.5.3 The Denny Eastern Access Road is predicated principally on attracting developer contributions. The work is currently under way and is being carried out by Avant Homes (formerly Bett Homes), through Section 75 commitments undertaken as a planning obligation.

4.5.4 The draft programme includes £4.2m for the Grangemouth Flood Prevention Scheme. Preliminary works have commenced in 2015/16 (£1.3m) with the major project spend of £102.5m extending beyond 2018/19. The total project spend is c£108m which assumes substantial Council funding (c£12m) and Scottish Government grant (c£86m) together with TIF funding of c£10m. It should be noted that this funding requirement is set against a background of severe revenue budget pressure and restricted government funding.

4.5.5 Provision is made under the Economic Development Programme for the ongoing regeneration works in Denny Town Centre (£2.1m).

4.5.6 Provision is made for the ongoing upgrade works at the Crematorium (£1.5m). Work is underway with the bulk of the remaining work taking place in 2016/17. The programme also allows for the cost of additional interment space with the majority of this work taking place in 2018/19 (£1.8m).

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

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

4.6 **Social Work**

4.6.1 The Social Work programme includes the replacement of MECS equipment. The budgets for Older Peoples Accommodation and the refurbishment of Bainsford Day Centre have been approved by Members as part of previous budget deliberations and have been rescheduled to 2016/17 pending the outcome of Service reviews. As such these budgets will be added to the approved 2016/17 to 2018/19 programme.

4.7 Corporate & Housing Services

- 4.7.1 There is provision for a number of corporate IT projects, most notably the Implementation of Mobile and Flexible Working Solution, purchase of a new Social Work Information System (SWIS), replacement of Servers, including Primary School Servers, Channel Shift solution to allow customers to access Council services electronically and various other IT developments across the Council.

4.8 Community Trust Investment

- 4.8.1 Responsibility for capital investment in assets operated by Falkirk Community Trust lies with the Council and a rolling programme budget is included to fund some priority improvements.

4.9 TIF Projects

- 4.9.1 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. TIF will deliver £67m of infrastructure spend over the life of the scheme but the profile of spend will undoubtedly change over time given the need to attract business/development to realise NDR receipts. The scheme includes a number of projects such as the Westfield Roundabout, Junction 5 (Phase 1 and 2), Enabling Works and the Grangemouth Flood Prevention Scheme. For completeness, the TIF initiative has been included in this report. However, going forward as previously advised to Members, progress on TIF will be reported to Members separately.

5. SLIPPAGE ALLOWANCE

- 5.1 In the past the assumption has been that all approved budgets will fully spend in any given year. However the reality is that this is not always the case. Consequently the programme includes a slippage allowance of £0.5m in 2016/17. The inclusion of this allowance has allowed key standalone projects in 2016/17 which didn't make the cut, to be included in the programme.

6. COUNCIL HQ/TOWN HALL FACILITY

- 6.1 Work continues to progress on the feasibility of a replacement for the Council HQ and Town Hall facility. As previously approved by Members, a number of options have been explored, the details and outcomes of which will be considered in a report to a forthcoming Falkirk Council meeting.

7. PRUDENTIAL INDICATORS

- 7.1 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.

8. CONCLUSION

- 8.1 Despite the funding constraints, this capital investment programme will help the Council and its Services to meet Community, Corporate and Service Plan priorities and improve facilities for the Falkirk area and its community. Moreover, this injection of investment should make a significant contribution to assisting the local economy in a difficult and challenging climate.

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

9. RECOMMENDATION

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

DIRECTOR OF CORPORATE & HOUSING SERVICES

Ref: AAA170216 – Three Year General Capital Programme 2016/17 – 2018/19

Date: 8 February 2016

LIST OF BACKGROUND PAPERS

1. Scottish Government Finance Circular 7/2015

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

Falkirk Council

GENERAL CAPITAL PROGRAMME

2016/17 to 2018/19

THREE YEAR

INVESTMENT PLAN

FALKIRK COUNCIL
GENERAL CAPITAL PROGRAMME

THREE YEAR INVESTMENT PLAN

2016/17 to 2018/19

INDEX

Section 1	Summary of Investment Plans
Section 2	Service Investment Plans - Financial
	Children's Services
	Development Services - Roads & Transport
	Development Services – Flooding & Environmental
	Development Services - Economic Development
	Development Services – Operational Services
	Adult Services (Social Work)
	Corporate & Housing Services
	Community Trust - Culture & Leisure
	TIF
Section 3	Service Investment Plans - Description
	Children's Services
	Development Services - Roads & Transport
	Development Services - Flooding & Environmental
	Development Services - Economic Development
	Development Services - Operational Services
	Adult Services (Social Work)
	Corporate & Housing Services
	Community Trust - Culture & Leisure
	TIF

SECTION 1

SUMMARY OF INVESTMENT PLANS

FALKIRK COUNCIL

GENERAL CAPITAL PROGRAMME

FUTURE INVESTMENT PLANS

	2016/17 £000	2017/18 £000	2018/19 £000	Total £000
<u>EXPENDITURE</u>				
CHILDREN'S SERVICES	14,467	6,772	2,175	23,414
DEVELOPMENT SERVICES	12,420	11,475	13,737	37,632
ADULT SERVICES (SOCIAL WORK)	51	51	51	153
CORPORATE & HOUSING SERVICES	2,177	1,022	360	3,559
COMMUNITY TRUST	510	520	620	1,650
TOTAL EXPENDITURE (Excluding TIF)	29,625	19,840	16,943	66,408
TIF	5,111	17,780	10,565	33,456
TOTAL EXPENDITURE (Including TIF)	34,736	37,620	27,508	99,864
<u>RESOURCES</u>				
SCOTTISH GOVT RING-FENCED GRANTS	6,433	4,054	2,217	12,704
SCOTTISH GOVT GENERAL CAPITAL GRANT	10,187	12,579	12,579	35,345
FALKIRK COUNCIL BORROWING	7,781	-	(850)	6,931
CAPITAL RECEIPTS – PROPERTY SALES	2,054	1,780	1,880	5,714
OTHER FUNDING (Grants/ Section 75/CFCR)	2,682	1,427	1,117	5,226
TOTAL RESOURCES (EXCLUDING TIF)	29,137	19,840	16,943	65,920
TIF RESOURCES				
BORROWING	4,262	16,086	9,364	29,712
CFCR	849	1,694	1,201	3,744
TOTAL RESOURCES (INCLUDING TIF)	34,248	37,620	27,508	99,376
BALANCE (SLIPPAGE ALLOWANCE)	488	-	-	488

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

	PREVIOUS YRS SPEND	ESTIMATED SLIPPAGE / RESCHEDULED FROM 2015/16	2016/17	BUDGET 2017/18	2018/19	FUTURE YEARS	PROJECT BUDGET	PROJECT DESIGN STAGE
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Major Projects								
New ASN Secondary School	1,148	393	12,520	3,673	-	-	17,734	
Kinnaird Primary School Extension	-	1,400	-	1,015	-	3,607	6,022	
			12,520	4,688	-			
Other Investments								
Community Education Properties			125	125	155			
Capital Improvements – All Schools			1,595	1,635	2,020			
St Mungo's & Larbert HS increased Capacity			-	324	-			
Acquisition of former Focus School			200	-	-			
St Joseph's PS Extension			27	-	-			
			1,947	2,084	2,175			
TOTAL CHILDREN'S SERVICES			14,467	6,772	2,175			

FALKIRK COUNCIL

GENERAL CAPITAL PROGRAMME






DEVELOPMENT SERVICES

ROADS & TRANSPORT	PREVIOUS YRS SPEND	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2015/16	2016/17	BUDGET 2017/18	2018/19	FUTURE YEARS	PROJECT BUDGET	PROJECT DESIGN STAGE
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Major Projects								
C116 Waterslap Rd, Carronshore	-	-	-	-	158	1,417	1,575	
Falkirk High Station Car Park	15	529	446	-	-	-	990	
Denny Eastern Access Road	109	785	785	785	1,117	3,528	7,109	
A904/A993 Snab Brae, Bo'ness			-	-	80	973	1,053	
			1,231	785	1,355			
Major Improvements & Structural Works								
Bridge Assessments and Strengthening			670	680	810			
Structural Works – Roads			2,454	2,512	2,984			
Structural Works – Lighting			560	570	670			
Road Safety (includes Cycling & Pedestrian schemes)			280	280	340			
Cycling, Walking, Safer Streets			173	217	217			
			4,137	4,259	5,021			
TOTAL ROADS & TRANSPORT			5,368	5,044	6,376			

FALKIRK COUNCIL

GENERAL CAPITAL PROGRAMME



DEVELOPMENT SERVICES

FLOODING & ENVIRONMENTAL	PREVIOUS YRS SPEND	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2015/16	2016/17	BUDGET 2017/18	2018/19	FUTURE YEARS	PROJECT BUDGET	PROJECT DESIGN STAGE
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Major Projects								
Flood Prevention	1,268	80	200	2,000	2,000	102,452	108,000	
Assessment - Grangemouth								
Flood Prevention								
Flood Assessment & Minor Projects			140	140	170			
Countryside & Environmental Major Projects								
Kinneil Kerse Landfill Restoration	90	210		300	300	600	1,500	
Other Investments								
Falkirk Countryside Access Strategy Fund			40	40	40			
Bo'ness Harbour			75	100	100			
TOTAL FLOODING & ENVIRONMENTAL			455	2,580	2,610			

FALKIRK COUNCIL

GENERAL CAPITAL PROGRAMME








DEVELOPMENT SERVICES

ECONOMIC DEVELOPMENT	PREVIOUS YRS SPEND	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2015/16	BUDGET			FUTURE YEARS	PROJECT BUDGET	PROJECT DESIGN STAGE
			2016/17	2017/18	2018/19			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Major Projects								
Town Centre Regeneration – Denny Town Centre	4,123	1,261	1,727	410	-	1,518	9,039	
Factory Buildings and Industrial Estates								
Business Property Reinvestment			1,000	1,000	1,000			
TOTAL ECONOMIC DEVELOPMENT			2,727	1,410	1,000			

FALKIRK COUNCIL

GENERAL CAPITAL PROGRAMME


DEVELOPMENT SERVICES

OPERATIONAL SERVICES	PREVIOUS YRS SPEND	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2015/16	2016/17	BUDGET 2017/18	2018/19	FUTURE YEARS	PROJECT BUDGET	PROJECT DESIGN STAGE
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Major Projects								
Crematorium – Upgrading Works	344	1,543	1,423	49	49	-	3,408	
Cemeteries – Additional	585	220	200	200	1,445	45	2,695	
Interment Space			1,623	249	1,494			
Vehicle Replacement Programme								
Vehicle Replacement			1,850	2,005	2,070			
			1,850	2,005	2,070			
Other Local Services								
Core Parks Improvements			97	97	97			
Playparks Upgrades			90	90	90			
Kinneil House – Walled Garden			90					
Roughmute Depot – Storage			120					
Shed								
			397	187	187			
TOTAL OPERATIONAL SERVICES			3,870	2,441	3,751			
TOTAL DEVELOPMENT SERVICES			12,420	11,475	13,737			














FALKIRK COUNCIL

GENERAL CAPITAL PROGRAMME

ADULT SERVICES (SOCIAL WORK)

	PREVIOUS YRS SPEND	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2015/16	BUDGET	FUTURE YEARS	PROJECT BUDGET	PROJECT DESIGN STAGE
	£'000	£'000	2016/17 £'000	2017/18 £'000	£'000	
Major Projects						
Older Peoples Accommodation	-	3,386	-	-	-	
Bainsford Day Centre Refurbishment	-	1,686	-	-	-	
			-	-		
Older People						
MECS Conversions			51	51		
TOTAL ADULT SERVICES			51	51		


FALKIRK COUNCIL
GENERAL CAPITAL PROGRAMME
CORPORATE & HOUSING SERVICES

	PREVIOUS YRS SPEND	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2015/16	2016/17	BUDGET 2017/18	2018/19	FUTURE YEARS	PROJECT BUDGET	PROJECT DESIGN STAGE
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Corporate IT Investment – Major Projects								
Implementation of Mobile & Flexible Solution	1,635	(485)	500	200	-	-	1,850	
Thin Client Boxes			58	58	-			
Corporate IT Investment – Other								
Information Management System			50	50	-			
Replacement of Application Servers			90	90	90			
Replacement of E-Mail System			50	50	-			
Replacement of Window Servers			316	70	60			
Channel Shift			125	-	-			
Remote Desktop Service Access			60	60	60			
Telephony			-	126	-			
Other Services' IT Requirements								
MECS Control Room Equipment			-	68	-			
Purchase of New Information System (SWIS)			500	100	-			
Replacement of Primary School Servers			188	-	-			
Replacement of IHMS Servers			50	-	-			
Mobile Device Management Solutions for Schools			40	-	-			
TOTAL CORPORATE IT			2,027	872	210			
Central Support – Accommodation			150	150	150			
TOTAL CORPORATE & HOUSING			2,177	1,022	360			

FALKIRK COUNCIL

GENERAL CAPITAL PROGRAMME








COMMUNITY TRUST

	PREVIOUS YRS SPEND £'000	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2015/16 £'000	BUDGET			FUTURE YEARS £'000	PROJECT BUDGET £'000	PROJECT DESIGN STAGE
			2016/17 £'000	2017/18 £'000	2018/19 £'000			
Culture & Leisure Strategy			510	520	620			
TOTAL COMMUNITY TRUST			510	520	620			
TOTAL GENERAL PROGRAMME (excluding TIF)			29,625	19,840	16,943			

FALKIRK COUNCIL

GENERAL CAPITAL PROGRAMME

TIF PROGRAMME

	PREVIOUS YRS SPEND	ESTIMATED SLIPPAGE/ RESCHEDULED FROM 2015/16	BUDGET			FUTURE YEARS	PROJECT BUDGET	PROJECT DESIGN STAGE
	£'000	£'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	£'000	£'000	
M9 Junction 6	2,451	-	-	-	-	-	2,451	
A801 Avon Gorge	-	-	-	-	-	7,719	7,719	
Ice House Brae – Laurieston Road	-	-	-	-	-	3,280	3,280	
Enabling Works	1,308	-	1,104	2,263	-	8,500	13,175	
Westfield Roundabout	323	-	4,007	13,254	4,766	107	22,457	
Grangemouth Flood Prevention Scheme	291	-	-	2,263	2,320	6,974	11,848	
Junction 5 (Phase 1 & 2)	-	-	-	-	3,479	2,631	6,110	
* TIF Programme – All Projects	4,373	-	5,111	17,780	10,565	29,211	67,040	
TOTAL GENERAL PROGRAMME (INCLUDING TIF)			34,736	37,620	27,508			

* Consideration and potential variation to the TIF budget will be the subject of a future report to Executive Committee.

SECTION 3
SERVICE INVESTMENT PLANS
DESCRIPTION

NOTES
For
CAPITAL PROJECTS

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

CHILDREN'S SERVICES

NEW ASN SECONDARY SCHOOL

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

KINNAIRD PRIMARY SCHOOL

Extension to existing school to alleviate capacity issues

COMMUNITY EDUCATION PROPERTIES

Rolling programme provision to address essential building condition upgrades.

CAPITAL IMPROVEMENTS – ALL SCHOOLS

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

St MUNGO'S & LARBERT HIGH SCHOOL INCREASED CAPACITY

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

FORMER FOCUS SCHOOL

Acquisition of former Focus School

St JOSEPH'S PRIMARY SCHOOL

The final year of funding to create a permanent extension to replace previous modular accommodation.

DEVELOPMENT SERVICES

ROADS & TRANSPORT

C116, WATERSLAP ROAD, CARRONSHORE

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

FALKIRK HIGH STATION CAR PARK

Construction of additional car parking at Slammanan Road for Falkirk High Station part funded by grant.

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 recommended through accident clusters report.

BRIDGE ASSESSMENTS AND STRENGTHENING

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

STRUCTURAL MAINTENANCE – ROADS

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

STRUCTURAL MAINTENANCE – LIGHTING

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

ROAD SAFETY (INCLUDES CYCLING & PEDESTRIAN SCHEMES)

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

CYCLING, WALKING, SAFER STREETS

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

DEVELOPMENT SERVICES – (Continued)

FLOODING & ENVIRONMENTAL

FLOOD PREVENTION SCHEME – GRANGEMOUTH

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

FLOOD ASSESSMENT & MINOR PROJECTS

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

KINNEIL KERSE LANDFILL RESTORATION

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

FALKIRK COUNTRYSIDE ACCESS STRATEGY FUND

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

BO'NESS HARBOUR

To repair inner and outer harbour walls.

ECONOMIC DEVELOPMENT

DENNY TOWN CENTRE REGENERATION

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

BUSINESS PROPERTY REINVESTMENT – FUTURE PROJECTS

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

DEVELOPMENT SERVICES – (Continued)

OPERATIONAL SERVICES

CREMATORIUM - NEW CREMATORS AND BUILDING WORKS

Replacement of 2 cremators at Falkirk Crematorium and substantial investment in upgrading the facilities. This work will be necessary to meet new statutory mercury emissions.

CEMETERIES – ADDITIONAL INTERMENT SPACE

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

VEHICLE REPLACEMENT

Rolling programme for the replacement of Council's operational vehicles.

CORE PARKS IMPROVEMENTS

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

PLAYPARKS UPGRADES

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

ESTATES - KINNEIL HOUSE

Reconstruction of damaged wall at Kinneil House

ESTATES - ROUGHMUTE DEPOT

Replacement of storage shed.

ADULT SERVICES (SOCIAL WORK)

MECS CONVERSIONS

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

CORPORATE & HOUSING SERVICES

CORPORATE IT INVESTMENT

Implementation of Mobile & Flexible Working Solution. Replacement of Corporate file servers and other investment needs to maintain the Council's IT services. This will include the implementation of mobile and flexible solutions, replacement of the email system and implementing the Channel Shift system.

MECS CONTROL ROOM EQUIPMENT

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

SOCIAL WORK INFORMATION SYSTEM

The replacement of the in-house SWIS system which is no longer fit for purpose.

CENTRAL SUPPORT - ACCOMMODATION

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

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 such as Denny Library, Grangemouth Sports Complex.

TIF

TIF PROGRAMME

Includes a number of projects such as the Westfield Roundabout, Ice House Brae – Laureston Road, Enabling Works, Grangemouth Flood Prevention Scheme, M9 junction upgrades and other infrastructure.

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

PRUDENTIAL INDICATOR		2016/17	2017/18	2018/19	COMMENTS
1.	Ratio of Financing Costs to Net Revenue Stream	5%	5%	5%	Shows how much of the Council's income is committed to repaying debt arising from capital investment.
2.	Incremental Impact of Capital Expenditure on Council Tax	Nil	£0.48	Nil	Affordability Indicator showing implications of capital expenditure and its financing on the "bottom-line". This indicator now takes into account all revenue consequences of capital. As such, the impact is already built into the proposed revenue budget.
3.	Gross Borrowing	£m	£m	£m	This is a key Prudence Indicator which shows that over the medium term external borrowing will only be for a capital purpose. The capital financing requirement reflects the underlying need to borrow to finance assets. It should be noted that the sums included as "Accounting Adjustment – Finance Lease Liabilities," are not an increase in borrowing or need to borrow, they are merely a presentational change as a result of the requirement to report under International Financial Reporting Standards (IFRS).
	Gross External Borrowing	277.0	302.1	315.2	
	Accounting Adjustment – Finance Lease Liabilities	<u>109.8</u> <u>386.8</u>	<u>104.3</u> <u>406.4</u>	<u>97.5</u> <u>412.7</u>	
	Capital Financing Requirement (includes HRA)	321.0	346.0	359.1	
	Accounting Adjustment – Finance Lease Liabilities	<u>115.3</u> <u>436.3</u>	<u>109.7</u> <u>455.7</u>	<u>104.2</u> <u>463.3</u>	

PRUDENTIAL INDICATOR		2016/17	2017/18	2018/19	COMMENTS
4.	Capital Expenditure	£m 34.7	£m 37.6	£m 27.5	Simply the planned capital expenditure per the appended Capital Programme (including TIF).
5.	Capital Financing Requirement (General Fund only)	£m 289.1	£m 292.1	£m 285.5	The Capital Financing Requirement reflects the underlying need to borrow for Capital Investment. (including TIF)
6.	Authorised Limit (AL) for External Debt:- Borrowing Accounting Adjustment - Finance Lease Liabilities	£m 310.2 <u>109.8</u> <u>420.0</u>	£m 335.7 <u>104.3</u> <u>440.0</u>	£m 347.5 <u>97.5</u> <u>445.0</u>	This sets the maximum level of External Debt, based on capital investment plans and allowing some headroom over the Operational Boundary (see 7) for exceptional circumstances. It should be noted that the sums included as “Accounting Adjustment - Finance Lease Liabilities” are not an increase in the debt limits they are merely a presentational change as a result of the requirements to report under International Financial Reporting Standards (IFRS).
7.	Operational Boundary (OB) for External Debt:- Borrowing Accounting Adjustment – Finance Lease Liabilities	£m 305.2 <u>109.8</u> <u>415.0</u>	£m 330.7 <u>104.3</u> <u>435.0</u>	£m 342.5 <u>97.5</u> <u>440.0</u>	This is set at a lower level than the Authorised Limit and is a robust estimate of the External Debt level arising from Capital Investment Plans. It should be noted that the sums included as “Accounting Adjustment – Finance Lease Liabilities” are not an increase in External Debt, they are merely a presentational change as a result of the requirement to report under International Financial Reporting Standards (IFRS).
8.	Actual External Debt	£m <u>N/A</u>			This is an actual rather than estimated Indicator and will be reported when outturns become available.
9.	CIPFA Code of Practice for Treasury Management in the Public Services	Code has been adopted by the Council			The Treasury Management Code is designed to ensure prudence in treasury operations.