

The background of the slide features a large, light blue watermark of the Coat of Arms of the City of Edinburgh. The crest is a shield divided into four quarters. The top-left quarter shows a castle tower, the top-right shows a stag's head, the bottom-left shows a sailing ship, and the bottom-right shows an eagle with spread wings. Above the shield is a crown with four fleurs-de-lis. A ribbon at the bottom contains the motto 'ANE FOR A'.

AGENDA ITEM

9

**Capital Programmes
Update 2017/18**

Falkirk Council

Title: Capital Programmes Update 2017/18
Meeting: Executive
Date: 13 February 2018
Submitted By: Director of Corporate & Housing Services

1. Purpose of Report

- 1.1 This report provides details of the forecast position for the General Fund Services and Housing Capital Programmes. It also presents the Prudential Indicators for information.

2. Recommendations:

The Executive is asked to:-

- (1) Note the forecast spend for both the General Fund Services (£32.9m) and Housing Capital Programmes (£32.6m).**
- (2) Note the reduced external borrowing requirement for Capital Programme purposes.**
- (3) Note the Prudential Indicators.**

3. Background

- 3.1 The General Fund Services and Housing Capital Programmes were approved by Council on the 22 February 2017. The 2017/18 budgets for both programmes are part of a three year plan and as such there will be movement in spend across the years.

4. Considerations

4.1 General Fund Services Capital Programme

- 4.1.1 The approved 2017/18 budget has been revised to £33.4m. The movement in the forecast spend against the revised budget of £33.4m is detailed below:

	£'m
Revised Budget 2017/18	33.404
Forecast	32.902
Forecast Variance	(0.502)
November Variance	1.635
Movement in Variance	(2.137)

4.1.2 The following paragraphs focus on the main areas of anticipated spend for 2017/18 (see Appendix 1), whilst section 4.2 will examine the movement in the forecast variance since the last report to the Executive in November.

4.1.3 **Children's Services (£7.4m)**

The new Carrongrange School has now opened, with costs of £5.0m being incurred this year. The project has attracted 50% grant funding from the Scottish Government. Phase I of the extension to Kinnaird Primary School is now expected to commence in April 2018 with spend of £0.3m on fees being incurred this financial year. In addition, work continues to improve the school estate, meet health and safety requirements and expand capacity (£1.9m).

4.1.4 **Design, Roads & Transport (£10.1m)**

The Falkirk High Station Car Park project is nearing completion with spend of £0.9m expected this year. The rolling programme of works for bridge strengthening, structural roads works, road safety and street lighting is forecast to spend £5.9m over the year. Cycling, Walking, Safer Streets project spend will equate to £0.9m most of which is externally funded. The repayment due to Transport Scotland in relation to Glenbervie Slip Road will be finalised this year with £0.4m being returned to them. Spend on the DEAR of £0.8m is anticipated, wholly funded by a contribution from Avant Homes, who are building a roundabout and access road into a new housing development. The Grangemouth Flood prevention project is forecast to spend £1.0m but is dependent on gaining access to some privately owned sites. Flood prevention schemes on minor projects are forecast to spend £0.2m.

4.1.5 **Planning & Economic Development (£6.8m)**

The spend on the Crematorium upgrade is projected to be £2.1m with the new cremators now in use with just some minor work to be completed. Cemetery Development is forecast to cost £0.3m. The rolling programme for investment in Parks assumes a spend of £0.2m during the year. Within Countryside Access, external funding mainly Sustrans grants, has been secured which will allow investment of £1.2m to take place this year. The forecast also includes spend of £0.1m on Bo'ness Harbour and various Community Environmental Projects at a cost of £0.1m. The Denny Town Centre Regeneration project is forecast to spend £1.2m in 2017/18. Refurbishment work at Arnotdale House will commence this year with spend of £0.1m expected. The spend on the Falkirk Townscape Heritage Initiative (FTHI) project is expected to be £1.4m and includes an external funding element of £0.6m.

4.1.6 **Environmental Services (£3.3m)**

Vehicle replacement spend is expected to be £2.5m; the purchase of Waste Collection and Street Bins (£0.4m) and recycling equipment (£0.2m) are also included in the forecast. In addition the restoration of Kinneil Kerse Landfill site continues at a cost of £0.2m.

4.1.7 **Adult Services (Social Work) (£0.2m)**

Spend of £0.05m will be incurred in relation to the rolling programme of replacement MECS equipment. The forecast also includes £0.1m for Changing Places Toilets, a scheme which provides fully accessible public toilet and changing facilities for people with complex disabilities.

4.1.8 **Corporate & Housing (£4.5m)**

The spend on corporate IT is forecast to be £3.1m, of which £0.6m is for the implementation of the Social Work Information System (SWIS) and £0.1m for the new Telephony system. The IT forecast also includes the spend for a number of business transformation enabling projects including Mobile and Flexible Working Solutions across the Council (£0.5m). There are five Council of the Future (CotF) projects included in the forecast. These equate to £0.2m, and are to be funded from CFCR. In addition to the IT spend the projection includes £0.1m for the upgrades to the West and Central Advice Hubs. Members approved the purchase of both Westbank and Abbotsford House. The cost of these purchases, Westbank (£0.155m) and Abbotsford House (£1.018m) are included in the forecast.

4.1.9 **Community Trust (£0.6m)**

The main areas of spend are the replacement of pool plant at the Grangemouth Sports Complex (£0.2m), upgrade works at Grangemouth Athletic Stadium (£0.1m) and minor works across a variety of other Trust operated buildings (£0.3m).

4.2 **Forecast Variance 2017/18**

4.2.1 The forecast variance for the General Fund Services Capital Programme as detailed in paragraph 4.1.1 is £0.5m less than the revised budget. The forecast variance reported to the November Executive was £1.64m more than the revised budget. The movement of c£2.14m is analysed in the following table:

	2017/18 £'m
Movement in Forecast Variance 2017/18	(2.137)
Analysis:	
Projects fully funded from External Sources/Revenue Contributions/Earmarked Borrowing	1.398
Expansion of Early Years Projects – rescheduled to 2018/19	(1.056)
Vehicle Replacement – rescheduled to 2018/19	(0.132)
Slippage	(2.347)
Movement in Forecast Variance 2017/18	(2.137)

4.2.2 As shown in the table above there are projects (c£1.4m) which have been included in the forecast which are fully funded from external sources, Revenue Contributions and other earmarked funding. The main projects included are additional spend on the new Carrongrange School which is funded from grant (£0.09m); the grant refund to Transport Scotland for the Glenbervie Slip Road (£0.21m) and CotF I.T. projects funded by contributions from Revenue (£0.21m). The purchase cost of Abbotsford House was £1.02m, £0.86m of which was in excess of the 2017/18 Accommodation Budget. This element was funded by Prudential Borrowing as previously approved by Members.

4.2.3 The Expansion of Early Years Projects are fully funded from Scottish Government Grants. The total grant awarded was c£1.3m and Scottish

Government have advised that any unspent grant can be carried forward to 2018/19. This grant was awarded after the 2017/18 budget was approved in February 2017 and as such only c£0.2m of spend will be progressed this year. The remainder of spend, c£1.1m will be spent in 2018/19 once further property assessments are carried out to ascertain operational requirements.

4.2.4 In order to extend the life of vehicles, Services have taken a conscious decision to reschedule the replacement of some vehicles to 2018/19 (£0.132m).

4.2.5 The reasons for the increased slippage of £2.3m, are as follows:

	£'m	Comments
Children's Services		
Kinnaird Primary School Extension	(0.524)	Delayed to enable statutory planning matters to be resolved - on site April '18.
All Schools Budget	0.051	Acceleration of 18/19 budget.
Community Education	(0.101)	Linked to Strategic Property Review (SPR) and Community Asset Tfrrs.
Dobbie Hall	(0.104)	Delayed pending Dobbie Hall Trust attracting match funding.
Development Services:		
Grangemouth Flood Scheme	(0.112)	Contract delays - legal issues with Ineos.
Crematorium External work	(0.130)	Ext Tender - Longer lead in time
Cemeteries Development	(0.290)	Ext Tender - Longer lead in time
Kinneil Kerse Restoration	(0.100)	Delay in agreeing Restoration Plan with SEPA.
Corporate & Housing:		
West & Central Advice Hubs	(0.112)	CotF project approved in Sept' 17 - now going through the design stage.
IT Information Management System	(0.219)	Part of the CotF change programme.
IT Follow Me Printing	(0.140)	Further discussion required to fit in with corporate Print Mgt Strategy.
IT Digital Strategy Delivery	(0.100)	Review to start in Feb'18, spend in 18/19.
Community Trust:		
Sports Pavilions	(0.227)	Only approved at Nov '17 Executive, design and costs being reviewed.
Community Access - Schools	(0.038)	Discussions ongoing with head teachers, linked to SPR.
Various Projects	(0.141)	Projects at Grangemouth Sports Complex & Falkirk Town Hall planned delay to less busy times to minimise loss of income.
Miscellaneous	(0.060)	Minor variances across Services
Slippage	(2.347)	

4.3 Resources – General Fund Services

- 4.3.1 The forecast for Resources is c£2.0m less than those reported to the Executive in November. The reduction in resources is due to the re-profiling of the Early Years Scottish Government Grant (£1.1m), increase in slippage (£2.3m), both of which are offset in part by £1.4m of additional funding for supplementary projects (see paragraph 4.2.2).

4.4 Major Standalone Projects

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

4.5 Housing Capital Programme

- 4.5.1 As previously advised to Members, the approved 2017/18 budget has been revised to £31.2m. The forecast spend for the year is £32.6m which is £0.4m less than that reported to the November Executive (see Appendix 3). The following paragraphs focus on the main areas of anticipated spend.

4.5.2 Elemental Improvements (£16.8m)

Work continues to progress with £12.4m forecast to be spent on external fabric improvements e.g. re-roofing and roughcasting, £2.7m on kitchen and bathroom replacements and £1.7m on electrical works.

4.5.3 Energy Efficiency (£2.0m)

The Council's replacement heating scheme which will improve the energy efficiency of homes, is forecast to spend £2.0m.

4.5.4 New Build Housing (£2.3m)

New build housing is expected to spend £2.3m which is £1.6m less than budget. The £1.6m variance is primarily due to the acquisition of the Blinkbonny Road and Abbots Road sites last financial year (£1.2m) and slippage in the Abbots Road project (£0.4m) which has been delayed because of additional flood risk assessments

4.5.5 Buy Backs (£7.0m)

The purchase of ex-Local Authority houses which will help to meet housing demand continues and is expected to cost £7.0m. The forecast is £1.0m more than budget which will mitigate against the New Build variance. This is funded in part by Scottish Government grant of £2.25m (see paragraph 4.6.4).

4.5.6 Estates & Other Expenditure (£2.1m)

Estates and Other Expenditure is expected to spend £2.1m, which includes a programme of estate improvement works and additional new close LED/emergency lighting installed in further properties following the successful pilot project last financial year.

4.5.7 Local Housing Schemes (LHS) - Initiatives (£2.4m)

The spend for LHS Initiatives is forecasted at £2.4m, which is £1.3m below the budget of £3.7m. Work is progressing to finalise designs for the remodelling of low demand flatted properties, to enable a programme of works to be established. This work will help to better meet housing demand identified in the Local Housing Strategy and improve communities.

4.6 Resources – Housing

4.6.1 The Right to Buy Scheme ceased on 1 August 2016. The Council received a significant number of applications in the lead up to this date. Consequently not all applications could be processed in 2016/17 and £2.4m of sales receipts has carried over into 2017/18.

4.6.2 The Housing Revenue Account has increased its Capital Funded from Revenue Contributions (CFCR). The approved budget is £6.8m and the current forecast is £10.3m, which is £0.1m higher than was reported to the November Executive. This increase in CFCR has been accounted for in the Housing Revenue Account forecast.

4.6.3 Total Government Grant for New Build is expected to be £1.7m and is in relation to projects at Duke Street, Denny and Haugh Street, Falkirk. Grant of £0.6m has been re-profiled to 2018/19.

4.6.4 Buy-back grant funding of £2.25m is forecast to part fund the £7m spend detailed in paragraph 4.5.5.

4.6.5 Prudential borrowing is only undertaken when all other sources of income have been exhausted. Consequently borrowing forecasts reflect the increased sales receipts and CFCR, netted off by the overall increase in capital spend. Borrowing is therefore projected to be £4.3m less than budget.

4.7 Prudential Indicators

4.7.1 A series of Prudential Indicators are used to demonstrate that capital spending plans are affordable, prudent and sustainable. They are approved by Members in February each year as part of the Budget process. There are 9 Indicators for the Council as a whole and 4 for Housing only. Appendix 4 details the budgeted and forecast Indicators for 2017/18.

4.8 Capital Investment Plans & Treasury Management

4.8.1 Capital Investment plans and Treasury Management are intrinsically linked. The 2017/18 Treasury Strategy Report to Council in March 2017 detailed the estimated long term borrowing requirement for 2017/18. It is calculated in January 2017 and takes into account the estimated borrowing for capital programme purposes (including the likely slippage for 2016/17), service repayment of debt, borrowing for TIF and the replacement of any short term loans that are due to mature in 2017/18. As such it will inevitably change as the year progresses. The budgeted long term borrowing requirement is £59.4m; however the forecast reported to the November Executive was

£38.4m. This has been further reduced to £35.4m. The reduction from £38.4m to £35.4m is detailed below:

	Forecast Nov 2017	Forecast Feb 2018	Variance
	£'m	£'m	£'m
Capital Programmes Net of Capital Receipts	28.0	25.0	(3.0)
Service Repayments of Debt	(13.6)	(13.6)	-
Replacement of Short Term Borrowing	24.0	24.0	-
Total Long Term Borrowing Requirement	38.4	35.4	(3.0)

- 4.8.2 Borrowing for capital programme purposes is forecast to reduce to £25m, which is £3.0m less than reported to the November Executive. The reduction in borrowing is primarily due to the increase in slippage for the General Fund (£2.3m), and the reduction in spend for both Housing (£0.4m) and TIF projects (£0.6m).

4.9 Capital Reserves

4.9.1 Capital Receipts Reserves

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

	General Fund £'m	HRA £'m	Total £'m
Balance at 1 April 2017	5.605	2.426	8.031
Cash Received in 17/18	0.344	0.159	0.503
Less:			
Earmarked for Employee Liabilities	(2.900)	-	(2.900)
To be Applied to 2017/18 Capital Programmes	(1.170)	(0.160)	(1.330)
Projected Balance at 31 March 2018	1.879	2.425	4.304

It should be noted that within the General Fund balance of £1.879m, £0.874m is included for Northfield Quarry which can only be applied at £0.03m per annum. The balance also includes £0.8m of Business Property Reinvestment (BPR) receipts.

4.9.2 Capital Grants Unapplied Accounts

This Reserve comprises Section 75 contributions from developers as well as capital grants/contributions for which conditions often apply. The movement on this reserve is as detailed below:

	General Fund £'m	HRA £'m	Total £'m
Balance at 1 April 2017	0.740	1.082	1.822
Less:			
To be Applied to 2017/18 Capital Programmes	(0.020)	-	(0.020)
Projected Balance at 31 March 2018	0.720	1.082	1.802

Within the balance of £0.72m, a further £0.34m is potentially earmarked to be applied to the 2018/19 – 2020/21 General Fund Capital Programme.

5. Consultation

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

6. Implications

Financial

- 6.1 Future budgets for both capital programmes will be adjusted to reflect the anticipated slippage for the General Fund Services and the accelerated spend for Housing.

Resources

- 6.2 There are no resource implications arising from the report recommendations.

Legal

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

Risk

- 6.4 There is a risk that the cost of those General Fund Services projects which have slipped in 2017/18 may increase because of construction inflation.

Equalities

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

Sustainability/Environmental Impact

- 6.6 A sustainable assessment was not required.

7. Conclusions

- 7.1 The forecast spend for 2017/18 for the General Fund is £32.9m which is c£0.5 less than the revised budget. This is due to slippage in the programme, offset in part by supplementary projects which have been fully funded by grants, contributions and other earmarked funding.
- 7.2 The forecast spend for 2017/18 for the Housing Capital Programme is £32.6m, which is £1.4m more than budget. This is due to accelerated spend within the external fabric budget, offset in part by reduced spend in LHS Initiatives and New Build Housing.

Director of Corporate & Housing Services

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Appendices

- Appendix 1 – General Fund Forecast 2017/18**
- Appendix 2 – General Fund Major Standalone Projects**
- Appendix 3 – Housing Forecast 2017/18**
- Appendix 4 – 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:

Three Year Capital Programme 2017/18 – 2019/20 – Council 22 February 2017

2017/18 CAPITAL PROGRAMME**GENERAL PROGRAMME - SUMMARY****APRIL 2017 TO DECEMBER 2017**

EXPENDITURE	2017/18 REVISED BUDGET	2017/18 FORECAST	2017/18 FORECAST VARIANCE
SERVICE INVESTMENT PLANS	£000	£000	£000
CHILDREN'S SERVICES	8,052	7,403	(649)
DEV - DESIGN, ROADS & TRANSPORT	10,195	10,106	(89)
DEV - PLANNING & ECONOMIC DEVELOPMENT	6,741	6,803	62
DEV - ENVIRONMENTAL SERVICES	2,931	3,342	411
ADULT SERVICES (SOCIAL WORK)	151	151	0
CORPORATE & HOUSING	4,201	4,498	297
COMMUNITY TRUST	1,133	599	(534)
TOTAL EXPENDITURE 2017/18	33,404	32,902	(502)

RESOURCES	2017/18 REVISED BUDGET	2017/18 FORECAST	2017/18 FORECAST VARIANCE
FALKIRK COUNCIL BORROWING	9,515	8,399	(1,116)
SCOTTISH GOVERNMENT BLOCK GRANTS	15,263	15,263	0
SCOTTISH GOVERNMENT SPECIFIC GRANTS	2,572	3,080	508
CAPITAL RECEIPTS - SALES	3,970	1,170	(2,800)
EXTERNAL FUNDING	1,034	4,348	3,314
RESERVES (DMR, CFCR and R&R)	0	642	642
SLIPPAGE ALLOWANCE	1,050	0	(1,050)
TOTAL RESOURCES 2017/18	33,404	32,902	(502)

2017/18 CAPITAL PROGRAMME**GENERAL PROGRAMME - SUMMARY****MAJOR STANDALONE PROJECTS**

PROJECT NAME	TOTAL PROJECT BUDGET	PREVIOUS YEARS SPEND	2017/18 PROJECTED SPEND	FUTURE YEARS FORECAST	TOTAL FORECAST SPEND	
	£000	£000	£000	£000	£000	
NEW CARRONGRANGE HIGH SCHOOL	17,734	13,016	5,054	0	18,070	Note 1
KINNAIRD PRIMARY SCHOOL EXTENSION PHASE I	2,577	0	291	2,286	2,577	
FALKIRK HIGH STATION CAR PARK	990	115	875	0	990	
GRANGEMOUTH FLOODING	111,450	1,709	1,000	108,741	111,450	Note 2
DENNY TOWN CENTRE REGENERATION	9,039	6,331	1,203	1,518	9,052	
CEMETERY DEVELOPMENT	2,695	717	258	1,720	2,695	
FALKIRK CREMATORIUM	3,408	1,195	2,066	147	3,408	
MOBILE & FLEXIBLE WORKING	1,966	1,691	275	0	1,966	
TOTAL	149,859	24,774	11,022	114,412	150,208	

NOTE

1. The apparent overspend in this project is funded by additional Scottish Government grant and two other smaller grants.

2. Additional spend funded by grant.

2017/18 CAPITAL PROGRAMME**HOUSING INVESTMENT PROGRAMME - SUMMARY****APRIL 2017 TO DECEMBER 2017**

EXPENDITURE	2017/18 REVISED BUDGET	2017/18 FORECAST	2017/18 FORECAST VARIANCE
HOUSING INVESTMENT PLANS	£000	£000	£000
ELEMENTAL IMPROVEMENTS	13,321	16,780	3,459
ENERGY EFFICIENCY	2,200	2,000	(200)
NEW BUILD HOUSING	3,957	2,327	(1,630)
PROPERTY BUY BACKS	6,000	7,000	1,000
ESTATES & OTHER EXPENDITURE	2,050	2,053	3
MORTGAGE TO RENT	0	72	72
LHS INITIATIVES & OTHERS	3,700	2,386	(1,314)
TOTAL EXPENDITURE 2017/18	31,228	32,618	1,390

RESOURCES	2017/18 REVISED BUDGET	2017/18 FORECAST	2017/18 FORECAST VARIANCE
BUDGETED PRUDENTIAL BORROWING	19,866	15,592	(4,274)
MORTGAGE TO RENT BORROWING	0	22	22
COUNCIL HOUSE SALES	0	2,400	2,400
ENERGY SECTION INCOME	0	107	107
CFCR	6,814	10,273	3,459
SCOTTISH GOVERNMENT - NEW BUILD	2,298	1,711	(587)
SCOTTISH GOVERNMENT - BUY BACK	2,250	2,250	0
OTHER GRANTS & CONTRIBUTIONS	0	263	263
TOTAL RESOURCES 2017/18	31,228	32,618	1,390

FALKIRK COUNCIL
PRUDENTIAL CODE INDICATORS
[Excluding HRA]

PRUDENTIAL INDICATOR		BUDGET 2017/18	FORECAST 2017/18	COMMENTS
1.	Ratio of Financing Costs to Net Revenue Stream	5%	5%	Shows how much of the Council's income is committed to repaying debt arising from capital investment.
2.	Incremental Impact of Capital Expenditure on Council Tax	£22.20	£27.54	Affordability Indicator showing implications of capital expenditure and its financing on the "bottom-line". Increase is due to additional Revenue Contributions to capital which have fully been accounted for in the revenue forecast figures.
3.	Gross Borrowing: Gross External Borrowing Accounting Adjustment – Finance Lease Liabilities Capital Financing Requirement (includes HRA) Accounting Adjustment – Finance Lease Liabilities	£'m 274.8 <u>104.3</u> 379.1 309.7 <u>109.7</u> 419.4	£'m 256.7 <u>104.3</u> 361.0 295.9 <u>104.3</u> 400.2	This is a key Prudence Indicator which shows that over the medium term external borrowing will only be for a capital purpose. The capital financing requirement reflects the underlying need to borrow to finance assets. It should be noted that the sums included as "Accounting Adjustment – Finance Lease Liabilities", are not an increase in borrowing or need to borrow, they are merely a presentational change as a result of the requirement to report under International Financial Reporting Standards (IFRS).

PRUDENTIAL INDICATOR		BUDGET 2017/18	FORECAST 2017/18	COMMENTS
4.	Capital Expenditure GF TIF	£'m 24.7 <u>5.6</u> 30.3	£'m 32.9 <u>1.1</u> 34.0	Simply the approved 2017/18 Capital Programme and the 2017/18 Forecast spend. Note that the General Fund forecast includes prior year slippage of c£7m and c£5m of extra projects which are fully funded from additional grants and contributions.
5.	Capital Financing Requirement (GF & TIF)	£'m 272.5	£'m 262.2	The Capital Financing Requirement reflects the underlying need to borrow for Capital Investment.
6.	Authorised Limit (AL) for External Debt:- Borrowing Other Long Term Liabilities	£'m 310.7 <u>104.3</u> <u>415.0</u>	£'m 310.7 <u>104.3</u> <u>415.0</u>	This sets the maximum level of External Debt, based on Capital Investment Plans and Treasury Management activities. It allows some headroom over the Operational Boundary (see below) for exceptional circumstances.
7.	Operational Boundary (OB) for External Debt:- Borrowing Other Long Term Liabilities	£'m 305.7 <u>104.3</u> <u>410.0</u>	£'m 305.7 <u>104.3</u> <u>410.0</u>	This is set at a lower level than the Authorised Limit and is a robust estimate of the External Debt level arising from Capital Investment Plans and Treasury Management activities.

PRUDENTIAL INDICATOR		BUDGET 2017/18	FORECAST 2017/18	COMMENTS
8.	Actual External Debt: External Borrowing Other Long Term Liabilities	<u>N/A</u>	<u>N/A</u>	This is an actual rather than an estimated Indicator and will be reported when the outturns becomes 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
HRA PRUDENTIAL CODE INDICATORS

PRUDENTIAL INDICATOR		BUDGET 2017/18	FORECAST 2017/18	COMMENTS
1.	Ratio of Financing Costs to Net Revenue Stream	19%	18%	Shows how much of the Council's HRA income is committed to repaying debt arising from capital investment.
2.	Incremental Impact of Capital Exp. on weekly Rent	£9.75	£13.41	Affordability Indicator showing implications of capital expenditure and its financing on the "bottom-line". Increase is due to additional Revenue Contributions to capital which have been fully accounted for in the revenue forecast figures.
3.	Capital Expenditure	£'m 32.0	£'m 32.6	Simply the approved and forecast capital expenditure.
4.	Capital Financing Requirement	£'m 146.8	£'m 138.1	The Capital Financing Requirement reflects the underlying need to borrow for HRA Capital Investment