

The image features a large, light blue watermark of the University of Victoria crest in the background. The crest is a shield divided into four quadrants. The top-left quadrant shows a building with a flag. The top-right quadrant shows a stag's head with a cross on its forehead. The bottom-left quadrant shows a three-masted sailing ship on the water. The bottom-right quadrant shows an eagle with its wings spread. Above the shield is a crown with four floral motifs. Below the shield is a banner with the motto 'ANE FOR A'.

Agenda Item 10

Capital Programmes Update 2019/20

Falkirk Council

Title: Capital Programmes Update 2019/20
Meeting: Executive
Date: 27 August 2019
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:

2.1 **The Executive is asked to note:-**

- (1) the forecast spend for both the General Fund Services (£38.5m) and Housing Capital Programmes (£44.5m)**
- (2) the acceleration of budget as detailed in paragraph 4.2.2**
- (3) the Prudential Indicators**
- (4) the rescheduling of projects as detailed in Section 4.4 and Appendix 1**
- (5) the reduced external borrowing requirement for Capital Programme purposes.**

3. Background

3.1 The General Fund Services Capital Programme was approved by Council on 27 February 2019 whilst the Housing Capital Programmes was approved by Council the previous month, on 23 January 2019. The 2019/20 budgets for both programmes are part of a five 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 budget for 2019/20 was based on estimates made in late 2018. The approved budget of £32.1m (including a £3.5m slippage allowance, but excluding TIF which is reported separately by Development Services) has been revised to £38.2m, taking into account slippage from 2018/19, rescheduled projects and projects which have been fully funded from additional contributions. The revised budget for the General Services

Capital Programme and the 2019/20 forecast is as detailed in the following table:

	£'m	Comments
Approved Budget 2019/20	32.119	
Add 2018/19 Slippage	8.118	
Less Rescheduled Projects	(5.494)	See section 4.4
Add Projects Fully Funded from Additional Contributions	3.491	
Revised Budget 2019/20	38.234	
Forecast	38.495	
Forecast Variance 2019/20	0.261	

4.1.2 The following paragraphs focus on the main areas of anticipated spend for 2019/20 (see Appendix 2), whilst section 4.2 will examine the forecast variance against the revised budget.

4.1.3 **Children's Services (£12.0m)**

- Phase I (Early Years Campus) expansion work at Kinnaird Primary School is planned to complete this year (£1.6m) along with part of the phase II works (£0.3m).
- Work is continuing at Larbert High School (£0.5m) and Maddiston Primary School (£0.8m) which will be completed in 2020/21.
- The Denny Primary School extension is also due to start this year with a spend of £0.7m anticipated.
- Work on the Scottish Government Early Years initiative continues with spend of £5.8m forecast.
- Further improvement work to the value of £1.4m is expected to be carried out on the school estate, health and safety requirements and capacity expansion during the year.
- The current forecast also includes £0.4m for ASN/ASD provision and £0.5m for various works across the Service.

4.1.4 **Design, Roads & Transport (£14.1m)**

- The rolling programme of works for bridge strengthening, structural roads works, road safety and street lighting is forecast to spend £5.7m over the year.
- Cycling, Walking, Safer Streets project spend will equate to £0.3m all of which is externally funded.
- Spend on DEAR is forecast to come in at £2.8m.
- The Grangemouth Flood Protection Scheme is expected to spend £3.5m, and £0.2m is forecast for the minor Flood Protection Schemes.
- The Energy Efficiency Street Lighting project is forecast to spend £1.3m and was approved as a Spend to Save project.
- Work on Larbert Station Car Park is expected to cost c£0.3m and is fully funded from developers' contributions.

4.1.5 **Planning & Economic Development (£4.8m)**

- Various town centre regeneration works will take place at a cost of £2.2m, £2m of which is funded by Scottish Government's Town Centres Fund.
- Spend on the external works at the crematorium is projected to be £0.3m.
- Cemeteries development work is forecast to come in at £0.7m.
- The rolling programme for investment in parks assumes a spend of £0.2m during the year.
- Work at Bo'ness Harbour is expected to cost £0.1m whilst the restoration of Kinneil Walled Garden is forecast to cost £0.1m.
- Various countryside access projects are underway with a forecast spend of £0.3m, most of which is externally funded.
- The forecast also includes £0.6m for synthetic pitches which is part funded by a grant from Sports Scotland (£0.25m).
- The upgrade of the commercial property portfolio is due to start this year at a cost of c£0.3m.

4.1.6 **Environmental Services (£3.8m)**

- Vehicle replacement spend is expected to be £1.9m.
- The forecast also includes spend on the restoration of Kinneil Kerse Landfill Site (£0.4m).
- The purchase of waste collection and street bins is projected at £1.1m, £1m of which is funded by a Zero Waste Scotland grant.
- Also forecast is £0.3m for junction improvements at Roughmote Recycling Centre and £0.1m for the Dalgrain vehicle wash facility.

4.1.7 **Adult Services (Social Work) (£0.4m)**

- Spend of £0.3m will be incurred for the replacement MECS equipment and the transfer from analogue to digital project.
- 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)**

- Spend on corporate IT is forecast to be £2.9m, and includes £0.9m for software licences (including Office 365); £0.4m for the implementation of the Social Work Information System (SWIS); £0.2m for server replacement and £0.3m for the Refresh of PC Estate in schools.
- The IT forecast also includes the spend for a number of business transformation enabling projects such as Mobile and Flexible Working Solutions across the Council (£0.1m) and delivery of the Digital Strategy (£0.2m). This will ensure that the Council moves forward as a digitally focused Council.
- In addition to the IT spend the projection includes £0.5m for the upgrades to the West and Central Advice Hubs whilst the spend on the Front Facing Office project is expected to be £0.3m.
- The Strategic Property Review forecast spend is £0.3m with a further £0.1m for general spend on accommodation.
- Spend of £0.4m (fees) is forecast for the new Council HQ.

4.1.9 **Community Trust (£2.3m)**

- The largest area of spend is in relation to £1.1m approved for investment at the Mariner Centre and Stenhousemuir Gym.
- The forecast includes various planned works at Sports Pavilions (£0.2m); Grangemouth Sports Complex (£0.3m) and; Grangemouth Stadium (£0.1m).
- The forecast also includes £0.6m for minor works across a variety of other Trust operated buildings.

4.2 **Forecast Variance 2019/20**

4.2.1 The forecast variance for the General Fund Services Capital Programme as detailed in paragraph 4.1.1 is c£0.3m more than the revised budget. This movement is analysed in the following table and subsequent paragraphs:

	2019/20 £'m
Revised Budget 2019/20	38.234
Forecast	38.495
Forecast Variance 2019/20	0.261
Analysis:	
Overspend - Kinnaird Primary School (Phase I)	0.384
Business Property Reinvestment (BPR)	(1.000)
Projects Fully Funded From Additional Contributions	0.877
Forecast Variance 2019/20	0.261

4.2.2 Costs on the phase I extension to Kinnaird Primary School have increased by c£0.4m, due to unexpected ground conditions. Children's Services will provide a separate report to the Executive, outlining the reasons for the overspend. However, in order to cover this overspend, the Service have accelerated £0.4m from the approved budget for phase III. Children's Services will now submit a supplementary bid of £0.4m for phase III, as part of the 2020/21 – 2024/25 Capital Programme process.

4.2.3 The revised budget includes £1m for Business Property Reinvestment (BPR) e.g. new units at Abbotsford Business Park. The cost of these units is dependent on capital receipts of £1m being generated. Current forecasts suggest that these receipts will not materialise and as such the works will not progress in 2019/20. There is no impact on the bottom line as both income and expenditure will be removed from the forecast.

4.2.4 As shown in the table above there are a number of projects (c£0.9m) which have been included in the forecast which are fully funded from additional grants and contributions. These projects include £0.3m for the works at Larbert Station Car Park which is funded from developers' contributions, £0.2m for countryside access projects funded from Sustrans grants and £0.25m for a synthetic pitch funded from Sports Scotland.

4.3 Resources – General Fund Services

- 4.3.1 The budgeted level of Resources has been increased to include funding for the 2018/19 slippage of £8.1m and £3.5m has been added in relation to additional projects which are fully funded from other sources such as Scottish Government Grants and third parties. This has been offset by £5.5m of projects which have been rescheduled beyond 2019/20 (see section 4.4). The revised budget for Resources has therefore increased by £6.1m and equates to £38.2m as detailed in Appendix 2. The forecast is c£0.3m greater at £38.5m because of the forecast variance as detailed in paragraph 4.2.1.
- 4.3.2 The forecast for Resources includes various Scottish Government grants such as the General Capital Grant (£15.3m); Early Years grant (£5.8m); £2.0m for the Town Centres Fund and £0.4m for Grangemouth Flood Protection scheme.
- 4.3.3 The approved budget for Resources included £2.6m of Capital receipts which have now been replaced by borrowing. The 2018/19 Capital Programmes Outturn report that went to the June Executive advised Members, that £4.5m of Capital Receipts were used to make additional Loans Fund debt repayment. This additional debt repayment has reduced future Loan Charges to the General Fund. The £4.5m of Capital Receipts included the budgeted 2019/20 Capital Receipts of £2.6m, hence the need to now replace these receipts with borrowing.
- 4.3.4 Additional funding in the form of grants and third party contributions are included in the forecast for a number of projects across Services and equate to c£0.9m (see paragraph 4.2.4).

4.4 Rescheduled Projects

- 4.4.1 The Revised Budget has been reduced to reflect that c£5.5m of projects have been rescheduled beyond 2019/20. The £5.5m is the net impact of a previous decision by Members to reschedule £0.9m of projects from 2018/19 into 2019/20 and a recent notification from Services to now reschedule £6.4m of projects beyond 2019/20. Further information is provided in paragraphs 4.4.2 to 4.4.5 below and Appendix 1.
- 4.4.2 There is a limited window of opportunity to undertake construction work within schools and in the main this is restricted to the school summer holidays. Consequently it can sometimes be difficult to complete all budgeted works within the agreed timeframe. This situation has been made more challenging because of the significant volume of Early Years work being undertaken. This has proven to be the case in 2019/20, to the extent that the budgeted spend at Larbert High School (£0.44m), Maddiston Primary School (£0.75m) and Denny Primary School (£0.44m) has now been rescheduled to 2020/21.
- 4.4.3 Members have previously been advised that the spend on DEAR would be dependent on the successful and timely outcome of land negotiations. These negotiations are taking longer than hoped and consequently £2.0m has been rescheduled to 2020/21.

- 4.4.4 The Kinneil Walled Garden has grade 2 listed building status and is built on a world heritage site. As such the design of the works to be undertaken have to be discussed and agreed with Historic Scotland and Historic Environment Scotland. Obtaining consent from both of these organisations has proved lengthy, and as a result £0.19m of these works require to be rescheduled to 2020/21. The new office space at the Crematorium (£0.3m) also needs to be rescheduled. Staff resources have been heavily concentrated on the previous priority crematorium works. However the various issues have now been resolved and work will therefore progress on design and construction of the new office space in 2020/21.
- 4.4.5 The approved 2019/20 budgets for the Council HQ and the Arts Centre are for preliminary costs and it is accepted that the timing of such spend will be driven by Member decision on location, size etc. Initial feasibility work has commenced but realistically only minimal spend on fees will be incurred during 2019/20. Consequently £0.40m and £0.14m for the Council HQ and Arts Centre, respectively, has been rescheduled beyond 2019/20. Other property related budgets such as the Strategic Property Review (£0.48m), Central Advice Hub (£0.45m) and the Front Facing Office (£0.8m) have also been rescheduled beyond 2019/20. Spend on these projects will progress once there is more clarity on the position with the Council HQ, further decisions have been taken on the Central Advice Hub and Services have identified staff requirements for locality working.
- 4.4.6 Details of these rescheduled projects are shown in Appendix 1.

4.5 Major Standalone Projects

- 4.5.1 Members were advised that there are a number of projects which span several financial years. Details of these projects are provided in Appendix 3 and include such projects as Kinnaird Primary School, Maddiston Primary School extensions, Early Years Expansion, DEAR, Grangemouth Flood Protection Scheme, Council HQ and the Arts Centre.

4.6 Housing Capital Programme

- 4.6.1 The approved 2019/20 budget equates to £47.7m and the current forecast is £44.5m, a decrease of £3.2m as detailed in Appendix 4. The following paragraphs focus on the main areas of anticipated spend and the reasons for the forecast variance against the approved budget.

4.6.2 Elemental Improvements (£13.5m)

Work continues to progress with £8.0m forecast to be spent on external fabric improvements e.g. re-roofing and roughcasting, £3.5m on kitchen and bathroom replacements and £2.0m on electrical works. The forecast is projected to be in line with budget.

4.6.3 Energy Efficiency (£7.8m)

The programme of works to improve the energy efficiency of the Council's housing stock continues. These works include £4.1m of anticipated spend on replacement heating, £2.5m on extending the Combined Heat and Power (CHP) system to 3 high rise flats and £1.2m to supply electric

energy from the CHP system to communal areas within high rise and other adjacent properties.

4.6.4 **New Build Housing (£8.1m)**

The forecast spend is anticipated to be £2.4m below budget. The variance is primarily due to accelerated spend at Blinkbonny Road in 2018/19 in addition to later than expected start dates at sites at Old Torwood School, Bainsford Adult Care Centre and Woodend Farm. The most significant delay is in the Woodend Farm site where the access to the site has to be repositioned and designed to meet planning requirements. There are two projects currently under construction at Abbots Road, Grangemouth and Blinkbonny Road, Falkirk. These projects are well advanced and will deliver a total of 57 new homes in 2019/20. The development at the old Torwood School site is programmed to start on site in October 2019 and will deliver a further 24 new homes in 2020/21.

4.6.5 **Buy Backs (£6.0m)**

The purchase of ex-Local Authority houses which will help to meet housing demand, continues and is expected to cost £6.0m.

4.6.6 **Estates Improvements (£3.5m)**

A total of £3.5m is expected to be spent on Estates and Other Expenditure. This additional spend is primarily in relation to environmental improvements e.g. walls and path upgrades being undertaken as part of the fabric improvement programme.

4.6.7 **LHS Initiatives & Other Priority Areas (£5.6m)**

The Local Housing Strategy (LHS) identified the need to review the Council's housing stock to better meet housing demand and improve communities. On this basis the Housing Programme includes a project to convert flatted accommodation at Garry Place, Grangemouth for children leaving care. This is an integral part of the Closer to Home Strategy aimed at providing sustainable support to vulnerable children. This project is included within the £1.3m for LHS Initiatives. The approved budget and forecast also includes £1.9m for the Photo Volatics (PV) project and Lift Upgrades. Provision is also made for £3.4m of various health and safety works including replacement cladding at Glenfuir Court at a cost of £1m. This work has been delayed pending the findings and recommendations from the Scottish Government's investigations into the Grenfell incident and therefore spend of £2.4m is forecast for health and safety works.

4.7 **Resources – Housing**

4.7.1 The approved budget and forecast includes £9.7m Capital Funded from Revenue Contributions (CFRCR).

4.7.2 Total Government Grant for New Build is expected to be £4.5m and is in relation to projects at Abbots Road, Grangemouth and Blinkbonny Road, Falkirk. The grant is £1.4m lower than the approved budget due to the decrease in spend as detailed in paragraph 4.6.4.

4.7.3 Buy-back grant funding of £2.0m is forecast to part fund the £6m spend detailed in paragraph 4.6.5.

4.7.4 Prudential borrowing is only undertaken when all other sources of income have been exhausted. Consequently borrowing forecasts reflect the slippage off £3.2m, netted off by the reduction in New Build Scottish Government Grant of £1.4m. Borrowing is therefore projected to be £27.6m, which is £1.8m below the budget of £29.4m.

4.8 Prudential Indicators

4.8.1 A series of Prudential Indicators are used to demonstrate that capital spending plans are affordable, prudent and sustainable. They are approved by Members in February each year as part of the Budget process. Appendix 5 details these Indicators for 2019/20. There are 8 Indicators for the Council as a whole and 3 for Housing only. The following paragraphs focus on some of the key Indicators.

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

4.8.3 The Capital Financing Requirement (CFR) measures the borrowing the Council needs to undertake to finance its Capital Programmes, both past and present (see Indicator 2). The level of borrowing is based on the total Capital Investment plans less resources such as grants, capital receipts and Revenue Contributions etc. The forecast CFR (£416.1m) is lower than the budgeted CFR (£434.1m) and is due in part to the General Fund projects which have been rescheduled beyond 2019/20 and the slippage in the TIF projects.

4.8.4 The Authorised Limit for borrowing is the maximum figure the Council can borrow at any given point during the financial year. The limit is based on Capital Investment plans and borrowing for treasury management purposes and cashflow. As the CFR only takes into account borrowing for the Capital Programmes it is less than the approved Authorised Limit. Given the level of General Fund projects which have been rescheduled beyond 2019/20 (see Appendix 1), it is not considered necessary to increase this limit. Hence the projected figure in Indicator 5 remains at the budgeted level of £440m.

4.9 Capital Investment Plans & Treasury Management

4.9.1 Capital Investment plans and Treasury Management are intrinsically linked. The 2019/20 Treasury Strategy Report to Council in April 2019 detailed the estimated borrowing requirement for 2019/20. It is calculated in January 2019 and takes into account the estimated borrowing for capital programme purposes (including the likely slippage for 2018/19), service repayment of debt, borrowing for TIF and the replacement of any short term or long term loans that are due to mature in 2019/20. As such it will inevitably change as

the year progresses. The budgeted long term borrowing requirement and the updated forecast are as follows:

	Budget	Forecast	Variance
	£'m	£'m	£'m
Capital Programmes Net of Capital Receipts	50.2	40.1	(10.1)
Service Repayments of Debt	(13.5)	(12.5)	1.0
Replacement of Long Term Borrowing	2.5	2.5	-
Replacement of Short Term Borrowing	30.0	30.0	-
Total Long Term Borrowing Requirement	69.2	60.1	(9.1)

4.9.2 Borrowing for capital programme purposes only i.e. Capital Programmes Net of Capital Receipts as detailed in the table at paragraph 4.9.1, is forecast to be £10.1m less than budget. Details of this anticipated reduction in borrowing for capital programme purposes are as follows:

	2019/20
	£'m
Budgeted Capital Programme (net of receipts & including TIF)	50.2
Less:	
Re-profiled TIF projects	(6.8)
General Fund Capital Receipts Replaced by Borrowing	2.6
Projects rescheduled beyond 19/20	(6.4)
Variance in estimated 18/19 Slippage for General Fund	2.3
Re-profile of New Build Housing Grant	1.4
Slippage in Housing Capital Programme	(3.2)
	(10.1)
Forecast Capital Programme (net of receipts & including TIF)	40.1

4.9.3 The spend profile for TIF projects is reported separately by Development Services. Paragraph 4.3.3 outlines the reasons for using General Fund capital receipts to make additional debt repayments. Appendix 1 detail the projects which have been rescheduled beyond 2019/20 (£6.4m) whilst paragraph 4.7.4 provides an explanation for the reduction in borrowing for the Housing Capital Programmes. Given that the estimated borrowing is calculated in January 2019, a movement in forecast spend for both capital programmes is not unusual. These updated forecasts for income and expenditure ultimately impact on the amount of borrowing required to fund the Capital Programmes, resulting in a forecast reduction in borrowing of £9.1m for 2019/20.

4.10 Capital Reserves

4.10.1 Capital Receipts Reserves

This Reserve comprises proceeds from the sale of Council Assets. The movement on this Reserve is as detailed below:

	General Fund £'m	HRA £'m	Total £'m
Balance at 1 April 2019	1.621	2.729	4.350
Less:			
To be Applied to 2019/20 Capital Programmes	(0.030)	-	(0.030)
Projected Balance at 31 March 2020	1.591	2.729	4.320

It should be noted that within the General Fund balance of £1.591m, £0.754m is included for Northfield Quarry which can only be applied at £0.03m per annum. Members were advised in the June Executive that during 2018/19, £4.5m of Capital Receipts were used to make additional Loans Fund debt repayments, resulting in a reduction in future Loan Charges to the General Fund. This area will continue to be explored for the balance of £0.837m receipts (i.e. excluding £0.754m for Northfield Quarry) and as more receipts become available in the future. A similar exercise is being considered for Housing Capital Receipts.

4.10.2 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 2019	0.344	1.082	1.426
Less:			
To be Applied to 2019/20 Capital Programmes	-	-	-
Projected Balance at 31 March 2020	0.344	1.082	1.426

Further review of the balances will be undertaken with Services as part of the 2020/21 – 2024/25 Capital Programme process, to determine to what extent they can be applied to fund projects.

5. Consultation

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

6. Implications

Financial

- 6.1 Future budgets for both capital programmes will be adjusted to reflect the rescheduled projects for the General Fund Services and slippage for the Housing Capital Programmes.

Resources

- 6.2 There are no resource implications.

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 been rescheduled beyond 2019/20 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 2019/20 for the General Fund is £38.5m which is £0.3m greater than budget.
- 7.2 The forecast spend for 2019/20 for the Housing Capital Programme is £44.5m, which is £3.2m less than budget.

Director of Corporate & Housing Services

Author – Carole McGhee, Capital, Treasury & Insurance Manager – 01324 506340,
carole.mcghee@falkirk.gov.uk

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Appendices

Appendix 1 - Rescheduled General Fund Projects

Appendix 2 - General Fund Forecast 2019/20

Appendix 3 - General Fund Major Standalone Projects

Appendix 4 - Housing Forecast 2019/20

Appendix 5 - 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:

Capital Programme 2019/20 to 2023/24 – Council 27 February 2019

Housing Investment Programme 2019/20 to 2023/24 – Council 23 January 2019

Add Projects Rescheduled to 2019/20

Project	£'m	Comments
Kinnaird Primary School	0.527	Phase 1 of extension works.
Synthetic Pitches	0.370	Second of two pitches to be completed.
Total	0.897	

Less Projects Rescheduled beyond 2019/20

Project	£'m	Comments
Larbert HS (Phases 3-5)	(0.435)	Contractor delays with work only possible in summer holidays
Maddiston PS Phase 1	(0.748)	Prioritisation of other projects and volume of work with Early Years
Denny PS Extension	(0.441)	Programme realigned to better suit school year (terms)
D.E.A.R.	(2.000)	Ongoing land acquisition discussions
Crematorium - New Office Space	(0.314)	Works will progress following completion of the current contract
Kinneil Walled Garden	(0.192)	Pending consents from Historic Scotland & Historic Environment Scotland
Council HQ	(0.395)	Pending decision on location, size etc.
New Arts Centre	(0.140)	Pending decision on location, size etc.
Strategic Property Review	(0.477)	Linkage with decisions taken on Council HQ & Arts Centre
Central Advice Hub	(0.449)	Pending decisions on Central Advice Hub
Front Facing Office	(0.800)	Pending decision on staff requirements for locality
Total	(6.391)	

Net Value of Rescheduled Projects	(5.494)	
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2019/20 CAPITAL PROGRAMME**GENERAL PROGRAMME - SUMMARY****FORECAST 2019/20****APRIL 2019 TO JUNE 2019**

EXPENDITURE	2019/20 REVISED BUDGET	2019/20 FORECAST	2019/20 FORECAST VARIANCE
SERVICE INVESTMENT PLANS	£000	£000	£000
CHILDREN'S SERVICES	11,577	11,961	384
DEV - DESIGN, ROADS & TRANSPORT	13,819	14,088	269
DEV - PLANNING & ECONOMIC DEVELOPMENT	5,244	4,844	(400)
DEV - ENVIRONMENTAL SERVICES	3,770	3,770	0
ADULT SERVICES (SOCIAL WORK)	447	455	8
CORPORATE & HOUSING SERVICES	4,555	4,555	0
COMMUNITY TRUST	2,322	2,322	0
SLIPPAGE ALLOWANCE	(3,500)	(3,500)	0
TOTAL EXPENDITURE 2019/20	38,234	38,495	261

RESOURCES	2019/20 REVISED BUDGET	2019/20 FORECAST	2019/20 FORECAST VARIANCE
FALKIRK COUNCIL BORROWING	10,505	10,963	458
SCOTTISH GOVERNMENT BLOCK GRANTS	15,289	15,289	0
SCOTTISH GOVERNMENT SPECIFIC GRANTS	8,462	8,462	0
CAPITAL RECEIPTS - SALES	1,680	680	(1,000)
EXTERNAL FUNDING	2,298	3,099	801
RESERVES (DMR, CFCR and R&R)	0	2	2
TOTAL RESOURCES 2019/20	38,234	38,495	261

2019/20 CAPITAL PROGRAMME**GENERAL PROGRAMME - SUMMARY****MAJOR STANDALONE PROJECTS**

PROJECT NAME	TOTAL PROJECT BUDGET	PREVIOUS YEARS SPEND	2019/20 FORECAST SPEND	FUTURE YEARS FORECAST	TOTAL FORECAST SPEND
	£000	£000	£000	£000	£000
KINNAIRD PRIMARY SCHOOL EXTENSION PHASE I	3,804	2,204	1,600	0	3,804
KINNAIRD PRIMARY SCHOOL EXTENSION PHASE II	520	206	314	0	520
LARBERT HIGH SCHOOL PHASE III - V	2,492	437	510	1,545	2,492
MADDISTON PRIMARY SCHOOL EXTENSION PHASE 1	3,229	0	752	2,477	3,229
DENNY PRIMARY SCHOOL EXTENSION	2,207	0	670	1,537	2,207
EARLY YEARS EXPANSION	15,572	2,242	5,800	7,530	15,572
DEAR	7,329	283	2,807	4,239	7,329
SNAB BRAE, BO'NESS	1,165	0	80	1,085	1,165
ENERGY EFFICIENCY STREET LIGHTING	3,930	0	1,310	2,620	3,930
GRANGEMOUTH FLOOD PROTECTION SCHEME	152,042	3,613	3,441	144,988	152,042
COUNCIL HQ	30,000	0	400	29,600	30,000
ARTS CENTRE	15,000	0	80	14,920	15,000
TOTAL	237,290	8,985	17,764	210,541	237,290

2019/20 CAPITAL PROGRAMME**HOUSING INVESTMENT PROGRAMME - SUMMARY****FORECAST 2019/20****APRIL 2019 TO JUNE 2019**

EXPENDITURE	2019/20 REVISED BUDGET	2019/20 FORECAST	2019/20 FORECAST VARIANCE
HOUSING INVESTMENT PLANS	£000	£000	£000
ELEMENTAL IMPROVEMENTS	13,500	13,500	0
ENERGY EFFICIENCY	7,700	7,825	125
NEW BUILD HOUSING	10,500	8,089	(2,411)
PROPERTY BUY BACKS	6,000	6,000	0
ESTATE IMPROVEMENTS	3,500	3,500	0
LHS INITIATIVES & OTHER PRIORITY AREAS	6,500	5,590	(910)
TOTAL EXPENDITURE 2019/20	47,700	44,504	(3,196)

RESOURCES	2019/20 REVISED BUDGET	2019/20 FORECAST	2019/20 FORECAST VARIANCE
BUDGETED PRUDENTIAL BORROWING	29,415	27,588	(1,827)
CFCR	9,680	9,680	0
SCOTTISH GOVERNMENT - NEW BUILD	5,925	4,500	(1,425)
SCOTTISH GOVERNMENT - BUY BACK	2,000	2,000	0
SCOTTISH GOVERNMENT MORTGAGE TO RENT GRANT	0	56	56
SEEPS GRANT	680	680	0
TOTAL RESOURCES 2019/20	47,700	44,504	(3,196)

APPENDIX 5

FALKIRK COUNCIL
PRUDENTIAL CODE INDICATORS
[including TIF]

PRUDENTIAL INDICATOR		BUDGET 2019/20	FORECAST 2019/20	COMMENTS
1.	Ratio of Financing Costs to Net Revenue Stream	4%	4%	Shows how much of the Council's income is committed to repaying debt arising from Capital investment.
2.	Gross Borrowing	£'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	290.3	
	Accounting Adjustment – Finance Lease Liabilities	<u>90.7</u>	<u>90.7</u>	
		<u>394.5</u>	<u>381.0</u>	
	Capital Financing Requirement (includes HRA)	336.6	318.6	The capital financing requirement reflects the underlying need to borrow to finance assets. It should be noted that the sums included as “Accounting Adjustment – Finance Lease Liabilities,” are not an increase in borrowing or need to borrow, they are merely a presentational requirement of International Financial Reporting Standards (IFRS).
	Accounting Adjustment – Finance Lease Liabilities	<u>97.5</u>	<u>97.5</u>	
		<u>434.1</u>	<u>416.1</u>	
3.	Capital Expenditure	£'m	£'m	Simply the approved 2019/20 Capital Programme and the 2019/20 forecast spend. Note that the General Fund forecast takes account of prior year slippage, projects rescheduled beyond 2019/20 and added projects which are fully funded from additional contributions.
	GF	32.1	38.5	
	TIF	<u>11.4</u>	<u>3.9</u>	
		<u>43.5</u>	<u>42.4</u>	

PRUDENTIAL INDICATOR		BUDGET 2019/20	FORECAST 2019/20	COMMENTS
4.	Capital Financing Requirement (excludes HRA)	£'m 259.8	£'m 242.3	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 349.3 <u>90.7</u> <u>440.0</u>	This sets the maximum level of External Debt, based on capital investment plans and allowing some headroom over the Operational Boundary (see 6) for exceptional circumstances.
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 344.3 <u>90.7</u> <u>435.0</u>	This is set at a lower level than the Authorised Limit and is a robust estimate of the External Debt level arising from Capital Investment and Treasury Management activities.
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	The Treasury Management Code is designed to ensure prudence in treasury operations.		

FALKIRK COUNCIL
HRA PRUDENTIAL CODE INDICATORS

PRUDENTIAL INDICATOR		BUDGET 2019/20	FORECAST 2019/20	COMMENTS
1.	Ratio of Financing Costs to Net Revenue Stream	20%	20%	Shows how much of the Council's HRA income is committed to repaying debt arising from capital investment.
2.	Capital Expenditure	£47.7m	£44.5m	Simply the approved and forecast capital expenditure.
3.	Capital Financing Requirement	£174.2m	£173.8m	The Capital Financing Requirement reflects the underlying need to borrow for HRA Capital Investment.