

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 quarter shows a stag's head with antlers. The bottom-left quarter shows a sailing ship on the water. The bottom-right quarter shows a crowned eagle with spread wings. Above the shield is a crown with four fleurs-de-lis. A ribbon at the bottom of the shield contains the motto 'ANE FOR A'.

## **Agenda Item 10**

### **Capital Programmes Update 2019/20**

Falkirk Council

**Title:** Capital Programmes Update 2019/20  
**Meeting:** Executive  
**Date:** 10 December 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 (£33.8m) and Housing Capital Programmes (£40m)
- (2) the Prudential Indicators
- (3) the external borrowing requirement

**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 approved 2019/20 budget has been revised to £41.734m (£38.234m after deduction of the £3.5m slippage allowance). The movement in the forecast spend against this revised budget is detailed below:

	£'m
<b>Revised Budget 2019/20</b>	<b>41.734</b>
Forecast	33.753
<b>Forecast Variance 2019/20</b>	<b>(7.981)</b>
October Variance	(0.497)
<b>Movement in Variance</b>	<b>(7.484)</b>

4.1.2 The following paragraphs focus on the main areas of anticipated spend for 2019/20 (see Appendix 1), whilst section 4.2 will examine the movement in the forecast variance since the last report to the Executive in October.

4.1.3 **Children's Services (£9.7m)**

- 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 (£0.2m) and Maddiston Primary School (£0.3m) which will be completed in 2020/21. Slippage of £0.5m has occurred in the Maddiston PS project as reported in paragraph 4.2.6
- The Denny Primary School extension is due to start this year with a spend of £0.7m anticipated.
- Work on the Scottish Government Early Years initiative continues with spend of £4.7m forecast.
- Further improvement work to the value of £1.5m 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 £0.1m for ASN/ASD provision and £0.3m for various works across the Service.

4.1.4 **Design, Roads & Transport (£10.8m)**

- 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 £0.2m and is delayed due to ongoing discussions with land negotiations. A separate report on the DEAR project is being presented at this Executive meeting.
- The Grangemouth Flood Protection Scheme is expected to spend £2.7m, 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£0.4m and is fully funded from developers' contributions.

4.1.5 **Planning & Economic Development (£2.8m)**

- Initial spend on fees for the town centre regeneration works (£0.1m) is expected this year and is funded by Scottish Government's Town Centres Fund.
- Spend on external work at the Crematorium is projected to be £0.3m.
- Cemeteries development work is forecast to come in at £0.3m.
- 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.
- Various countryside access projects are underway with a forecast spend of £0.5m, 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 forecast at c£0.3m.
- Various minor works across the section costing £0.3m

#### 4.1.6 **Environmental Services (£4.0m)**

- Vehicle replacement spend is expected to be £2.1m.
- 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 Roughmute Recycling Centre and £0.1m for the Dalgrain 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 (£3.4m)**

- Spend on corporate IT is forecast to be £2.6m, and includes £0.9m for software licences (including Office 365); £0.4m for the implementation of the Social Work Information System (SWIS); £0.3m for server replacement and £0.3m for the Refresh of the 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 £0.3m for the upgrades to the West and Central Advice Hubs whilst the spend on the Front Facing Office project (including Brockville and Grangemouth Social Work office) is expected to be £0.1m.
- The Strategic Property Review forecast spend is £0.05m with a further £0.1m for spend on general accommodation
- Spend of £0.3m (fees) is forecast for the new Council HQ and Arts Centre.

#### 4.1.9 **Community Trust (£2.7m)**

- The largest area of spend is in relation to investment at the Mariner Centre and Stenhousemuir Gym (£1.5m). Members approved £1.1m towards the cost of these projects and a further £0.06m has been allocated from the Trust's core 2019/20 budget and £0.35m accelerated from the Trust's approved 2020/21 budget.
- The forecast includes various planned works on Sports Pavilions (£0.2m); Grangemouth Sports Complex (£0.2m) and Grangemouth Stadium (£0.1m).

- The forecast also includes £0.7m 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 £7.98m less than the revised budget. The forecast variance reported to the October Executive was £0.497m less than the revised budget. The movement of £7.484m is analysed in the following table:

	<b>2019/20 £'m</b>
Projects fully funded from External Sources	0.207
Early Years Projects Rescheduled to 2020/21	(1.120)
Community Asset Transfers rescheduled to 2020/21	(0.070)
Town Centres Regeneration Fund	(1.931)
Slippage (see paragraph 4.2.6)	(4.570)
<b>Movement in Forecast Variance 2019/20</b>	<b>(7.484)</b>

- 4.2.2 As shown in the above table, there are a number of additional projects which have been matched by an increase in external funding. These include projects for countryside access (£0.08m), various projects funded from planning obligations (£0.05m) and Electric Vehicle Chargers (£0.08m) funded from Government grants.
- 4.2.3 As stated in paragraph 4.1.3, the spend on the Expansion of Early Years is forecast to be £4.7m which is £1.1m less than reported to the October Executive. This project is fully funded from Scottish Government grant and it was anticipated that the spend profile would not match up with the allocation of grant funding. The budget and grant will be re-scheduled to 2020/21 and will therefore have a neutral impact on the bottom line.
- 4.2.4 In March 2019 the Scottish Government awarded Falkirk Council c£2m from the new Town Centres Fund and a report will be taken to the December Executive with proposals. It is expected that only initial fees will be incurred this year, given the short notice of grant and the time to plan, so the balance of £1.9m will be re-scheduled to 2020/21.
- 4.2.5 The Community Asset Transfers is a fund approved by Members to be used as and when, £0.07m of which will now be rolled forward to 2020/21.

4.2.6 The main reasons for the increase in slippage of c£4.6m are as follows:

	£'m	Comments
<b>Children's Services</b>		
Larbert High School	(0.080)	Delay in agreeing final works with provider.
Maddiston PS	(0.452)	Design delay due to prioritisation of essential work at Kinnaird PS to ensure the school was complete for the August intake.
Camelon Education Centre	(0.232)	On hold pending SPR
<b>Development Services</b>		
DEAR	(2.657)	Land negotiations are exhausted, now moving towards the CPO route. A separate report on the progress is being presented at this Executive.
Snab Brae	(0.080)	Budget for fees re-profiled to tie in with approved project budget in 2021/22.
Grangemouth Flood Protection Scheme	(0.705)	Large scale and complex work leading to a reprofile of current year tasks, based on the update report to Government in October.
<b>Corporate &amp; Housing:</b>		
Council HQ	(0.200)	On hold pending Council decision.
Accommodation Investment / SPR	(0.622)	Architects appointed but approval required before tenders can be issued for Park St / GMC.
<b>Miscellaneous</b>	(0.071)	Includes various projects.
<b>Gross Slippage</b>	<b>(5.099)</b>	
Less:		
<b>Children's Services</b>		
All Schools Fund	0.100	Accelerated spend from 2020/21.
<b>Development Services</b>		
Vehicle Replacement	0.200	Accelerated spend from 2020/21.
<b>Community Trust</b>		
Various projects including Mariner Centre & Callendar House	0.229	Accelerated spend from 2020/21.
<b>Net Increase in Slippage</b>	<b>(4.570)</b>	

4.2.7 The Revised 2019/20 budget assumes a £3.5m allowance for slippage. The slippage figure reported to the Executive in October was c£1.1m and a further c£4.6m is now reported in paragraph 4.2.6. The revised total forecast slippage for the year therefore equates to c£5.7m, which is £2.2m over the budgeted allowance of £3.5m.

4.2.8 The new reporting regime which has been introduced to monitor and control slippage requires the following:

- Where the project variance is greater than 25% of the budget (subject to a de minimis value of £0.1m), Services will be asked to attend CMT to fully explain the reasons for the variance.
- Because of the large volume of low value projects within the Trust and IT projects within Corporate & Housing Services, all projects will be consolidated when assessing if the project variance is greater than 25% of the budget (subject to a de minimis value of £0.1m).
- In terms of the slippage forecast in paragraph 4.2.6 and in line with the new reporting regime, the following table details where Services are required to provide an explanation of slippage to CMT:

<b>Main Variances</b>	<b>Revised Budget £'m</b>	<b>Slippage £'m</b>	<b>%</b>	<b>Report to CMT (Y/N)</b>
<b>Children's Services</b>				
Maddiston Primary School	0.752	0.452	60%	Y
<b>Development Services</b>				
DEAR	2.807	2.657	95%	Y
<b>Corporate &amp; Housing:</b>				
Council HQ	0.400	0.200	50%	N
Accommodation Investment / SPR	1.146	0.622	54%	Y

4.2.9 The Council HQ / Arts Centre project is subject to specific review and has been delayed pending decision by Council on options to take forward. Consequently there is no need for the Service to report to CMT.

### 4.3 Resources – General Fund Services

4.3.1 The overall forecast for Resources is c£7.5m less than those reported to the Executive in October. This is essentially the reduced borrowing of £4.5m mainly due to slippage, the £1.1m of Early Years grant and the £1.9m of Town Centres Fund grant that are being carried forward to 2020/21, see paragraphs 4.2.3 and 4.2.4.

### 4.4 Major Standalone Projects

4.4.1 Members were advised that there are a number of projects which span several financial years. Details of these projects are provided in Appendix 2 and include extensions at Kinnaird Primary School, Larbert High School, Denny and Maddiston Primary Schools. Also included are Early Years Expansion works, DEAR and Grangemouth Flood Protection Scheme.

## **4.5 Housing Capital Programme**

4.5.1 The approved 2019/20 budget equates to £47.7m and the current forecast is £40m (see Appendix 3), a reduction of £4.6m in the forecast reported to the October Executive. The decrease of £4.6m primarily relates to high rise heating replacement, New Build housing and replacement cladding installation. The following paragraphs focus on the main areas of anticipated spend.

### **4.5.2 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.

### **4.5.3 Energy Efficiency (£5.0m)**

The forecast spend is anticipated to be £2.7m below budget. The tendered costs returned for replacement heating to 3 high rise flats, were higher than expected. Additional grant funding is being sought and as such the project start has been delayed pending the outcome of the grant funding bid. The programme of other energy efficiency works continues, including £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

### **4.5.4 New Build Housing (£7.0m)**

The forecast spend is anticipated to be £3.5m below budget which is £1.2m more than the underspend reported to the October Executive. There are currently two projects under construction i.e. Abbots Road, Grangemouth and Blinkbonny Road, Falkirk. These projects are well advanced and will deliver a total of 57 new homes in 2019/20. Abbots Road is due to be complete in November 2019 and Blinkbonny Road is due by February 2020. The development at the old Torwood School site was programmed to start on site in October 2019, however due to higher than estimated tender returns, a re-tendering exercise is underway. Additionally later than anticipated contract starts for projects at Woodend Farm and at the former Bainsford Adult Day centre have resulted in lower than anticipated spend this year. These projects are now planned to commence in 2020/21.

### **4.5.5 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.

### **4.5.6 Estates Improvements (£5.4m)**

A total of £5.4m is expected to be spent on Estates and Other Expenditure. This spend is primarily in relation to environmental improvements e.g. walls and path upgrades being undertaken as part of the fabric improvement programme.

### **4.5.7 LHS Initiatives & Other Priority Areas (£3.1m)**

A total of £3.1m is expected to be spent during 2019/20, which is £3.4m below budget and £2.5m less than the forecast reported to the October Executive. The project to convert flatted accommodation at Garry Place,



Grangemouth (£0.8m) for young people leaving care has been completed and will accommodate 8 young people, with associated 24/7 support. The lift upgrading works (£0.9m) is underway at the high rise flats and is progressing in line with programme. Spend of £1.1m is also forecast for Health & Safety projects including asbestos pipe renewal and heat/smoke detection. The Photo Volatics (PV) pilot project (£0.1m) has commenced however, the full programme implementation will now start in 2020/21. Replacement cladding works to Glenfuir Court High Rise has also been delayed pending the issue of revised design regulations following the Grenfell Tower. Works are now anticipated to commence in 2020/21. These have resulted in reduced expenditure this year.

#### **4.6 Resources – Housing**

- 4.6.1 The approved budget and forecast includes £9.4m for Capital Funded from Revenue Contributions (CFCR), a reduction of £0.2m from the approved budget and the position reported to October Executive.
- 4.6.2 Total Government Grant for New Build is expected to be £3.4m and is in relation to projects at Abbots Road, Grangemouth and Blinkbonny Road, Falkirk. The grant is £2.5m lower than the approved budget and £1.1m less than the figure reported in October. This is due to the decrease in spend for New Builds. This funding is now expected in 2020/21.
- 4.6.3 Buy Back grant funding of £2.0m is forecast to part fund the £6m spend detailed in paragraph 4.5.5.
- 4.6.4 Prudential borrowing is only undertaken when all other sources of income have been exhausted. Consequently borrowing forecasts reflect the total slippage of £7.7m, netted off by the reduction in New Build Scottish Government Grant of £2.5m. Borrowing is therefore projected to be £24.2m, which is £5.2m below the budget of £29.4m.

#### **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 each year as part of the Budget process. There are 8 Indicators for the Council as a whole and 3 for Housing only. Appendix 4 details the budgeted and forecast Indicators for 2019/20.

#### **4.8 Capital Investment Plans & Treasury Management**

- 4.8.1 Capital Investment plans and Treasury Management are intrinsically linked. The 2019/20 Treasury Strategy Report to Council in April 2019 detailed the estimated long term 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.

- 4.8.2 The budgeted long term borrowing requirement was £69.2m, but Members were advised in the Update report to the October Executive that this had been revised to £60.2m. The forecast has now been further revised to £53.4m. The movement since the October Executive is as follows:

	<b>Forecast October £'m</b>	<b>Forecast December £'m</b>	<b>Variance £'m</b>
Capital Programmes Net of Capital Receipts	40.2	33.4	(6.8)
Service Repayments of Debt	(12.5)	(12.5)	-
Replacement of Long Term Borrowing	2.5	2.5	-
Replacement of Short Term Borrowing	30.0	30.0	-
<b>Total Long Term Borrowing Requirement</b>	<b>60.2</b>	<b>53.4</b>	<b>(6.8)</b>

- 4.8.3 Borrowing for capital programme purposes only i.e. Capital Programmes Net of Capital Receipts as detailed in the table at paragraph 4.8.2, is forecast to be £6.8m less than reported to the October Executive. This is due to slippage in both the General Fund and Housing Capital Programmes. Slippage within the General Capital Programme is forecast to be £2.2m more than the £3.5m budgeted allowance (see paragraph 4.2.7). Within the Housing Capital Programme, slippage has increased by £4.6m over that which was reported to the October Executive.

## 4.9 Capital Reserves

### 4.9.1 Capital Receipts Reserves

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

	<b>General Fund £'m</b>	<b>HRA £'m</b>	<b>Total £'m</b>
<b>Balance at 1 April 2019</b>	<b>1.621</b>	<b>2.729</b>	<b>4.350</b>
Add:			
Anticipated Receipts 2019/20	0.208	0.140	0.348
Less:			
To be Applied to 2019/20 Capital Programmes	(0.070)	-	(0.070)
<b>Projected Balance at 31 March 2020</b>	<b>1.759</b>	<b>2.869</b>	<b>4.628</b>

It should be noted that within the General Fund balance of £1.759m, £0.754m is included for Northfield Quarry which can only be applied at an average of £0.07m per annum. As advised to Members in the Update report to the October Executive, consideration will be given to using Capital Receipts to make additional Loans Fund debt repayments, resulting in a reduction in future Loan Charges to the General Fund. This will also be considered for Housing Capital Receipts.

#### 4.9.2 Capital Grants Unapplied Account & Planning Obligations

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:

	<b>General Fund £'m</b>	<b>HRA £'m</b>	<b>Total £'m</b>
<b>Balance at 1 April 2019</b>	<b>4.513</b>	<b>1.939</b>	<b>6.452</b>
Add:			
Anticipated Funds 2019/20	<b>0.698</b>	<b>0.394</b>	<b>1.092</b>
Less:			
To be Applied to 2019/20 Capital Programmes	<b>(1.175)</b>	<b>(0.219)</b>	<b>(1.394)</b>
<b>Projected Balance at 31 March 2020</b>	<b>4.036</b>	<b>2.114</b>	<b>6.150</b>

The balances held for planning obligations are ring-fenced for specific purposes and Services will continue to review these to ascertain what projects they can be applied to and when.

## 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 projects which have slipped or been rescheduled for both the General Fund Services and 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 projects which have slipped or 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 £33.8m which is £8m lower than budget.

7.2 The forecast spend for 2019/20 for the Housing Capital Programme is £40m, which is £7.6m less than budget.

---

Director of Corporate & Housing Services

Author – Carole McGhee, Capital, Treasury & Insurance Manager – 01324 506340,  
[carole.mcghee@falkirk.gov.uk](mailto:carole.mcghee@falkirk.gov.uk)

Date: 27 November 2019

## **Appendices**

**Appendix 1 - General Fund Forecast 2019/20**

**Appendix 2 - General Fund Major Standalone Projects**

**Appendix 3 - Housing Forecast 2019/20**

**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:

Five Year Capital Programme 2019/20 – 2023/24 – Council 27 February 2019

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

**2019/20 CAPITAL PROGRAMME****GENERAL PROGRAMME - SUMMARY****FORECAST 2019/20****APRIL 2019 TO OCTOBER 2019**

<b>EXPENDITURE</b>	<b>2019/20 REVISED BUDGET</b>	<b>2019/20 FORECAST</b>	<b>2019/20 FORECAST VARIANCE</b>
<b>SERVICE INVESTMENT PLANS</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
CHILDREN'S SERVICES	11,577	9,662	(1,915)
DEV - DESIGN, ROADS & TRANSPORT	13,819	10,777	(3,042)
DEV - PLANNING & ECONOMIC DEVELOPMENT	5,244	2,830	(2,414)
DEV - ENVIRONMENTAL SERVICES	3,770	3,971	201
ADULT SERVICES (SOCIAL WORK)	447	455	8
CORPORATE & HOUSING SERVICES	4,555	3,360	(1,195)
COMMUNITY TRUST	2,322	2,698	376
<b>TOTAL EXPENDITURE 2019/20</b>	<b>41,734</b>	<b>33,753</b>	<b>(7,981)</b>

<b>RESOURCES</b>	<b>2019/20 REVISED BUDGET</b>	<b>2019/20 FORECAST</b>	<b>2019/20 FORECAST VARIANCE</b>
FALKIRK COUNCIL BORROWING	10,505	8,887	(1,618)
SCOTTISH GOVERNMENT BLOCK GRANTS	15,289	15,289	0
SCOTTISH GOVERNMENT SPECIFIC GRANTS	8,462	5,466	(2,996)
CAPITAL RECEIPTS - SALES	1,680	650	(1,030)
EXTERNAL FUNDING	2,298	3,460	1,162
RESERVES (DMR, CFCR and R&R)	0	1	1
<b>SLIPPAGE ALLOWANCE</b>	<b>3,500</b>	<b>0</b>	<b>(3,500)</b>
<b>TOTAL RESOURCES 2019/20</b>	<b>41,734</b>	<b>33,753</b>	<b>(7,981)</b>

**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	3,300	2,204	1,600	0	3,804	} #
KINNAIRD PRIMARY SCHOOL EXTENSION PHASE II	640	206	314	0	520	
KINNAIRD PRIMARY SCHOOL EXTENSION PHASE III	1,230	0	0	846	846	
LARBERT HIGH SCHOOL PHASE III - V	2,492	437	210	1,845	2,492	
MADDISTON PRIMARY SCHOOL EXTENSION PHASE 1	3,229	0	300	2,929	3,229	
DENNY PRIMARY SCHOOL EXTENSION	2,207	0	670	1,537	2,207	
EARLY YEARS EXPANSION	15,572	2,242	4,680	8,650	15,572	
DEAR	7,400	283	150	6,967	7,400	
SNAB BRAE, BO'NESS	1,165	0	0	1,165	1,165	
ENERGY EFFICIENCY STREET LIGHTING	3,930	0	1,310	2,620	3,930	
GRANGEMOUTH FLOOD PROTECTION SCHEME	152,042	3,613	2,736	145,693	152,042	
<b>TOTAL</b>	<b>193,207</b>	<b>8,985</b>	<b>11,970</b>	<b>172,252</b>	<b>193,207</b>	

# The overspend in Kinnaird PS Extension Phase 1 will be covered by the budgets in Phases 2 & 3.

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

<b>EXPENDITURE</b>	<b>2019/20 REVISED BUDGET</b>	<b>2019/20 FORECAST</b>	<b>2019/20 FORECAST VARIANCE</b>
<b>HOUSING INVESTMENT PLANS</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
ELEMENTAL IMPROVEMENTS	13,500	13,500	0
ENERGY EFFICIENCY	7,700	5,040	(2,660)
NEW BUILD HOUSING	10,500	6,985	(3,515)
PROPERTY BUY BACKS	6,000	6,000	0
ESTATE IMPROVEMENTS	3,500	5,430	1,930
LHS INITIATIVES & OTHER PRIORITY AREAS	6,500	3,089	(3,411)
<b>TOTAL EXPENDITURE 2019/20</b>	<b>47,700</b>	<b>40,044</b>	<b>(7,656)</b>

<b>RESOURCES</b>	<b>2019/20 REVISED BUDGET</b>	<b>2019/20 FORECAST</b>	<b>2019/20 FORECAST VARIANCE</b>
BUDGETED PRUDENTIAL BORROWING	29,415	24,223	(5,192)
CFCR	9,680	9,421	(259)
SCOTTISH GOVERNMENT - NEW BUILD	5,925	3,445	(2,480)
SCOTTISH GOVERNMENT - BUY BACK	2,000	2,000	0
SCOTTISH GOVERNMENT MORTGAGE TO RENT GRANT	0	56	56
SEEPS GRANT	680	680	0
OTHER / MISC.	0	219	219
<b>TOTAL RESOURCES 2019/20</b>	<b>47,700</b>	<b>40,044</b>	<b>(7,656)</b>

## APPENDIX 4

### **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	283.7	
	Accounting Adjustment – Finance Lease Liabilities	<u>90.7</u>	<u>90.7</u>	
		<u>394.5</u>	<u>374.4</u>	
	Capital Financing Requirement (includes Housing)	336.6	312.0	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>409.5</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	33.8	
	TIF	<u>11.4</u>	<u>2.6</u>	
		<u>43.5</u>	<u>36.4</u>	



PRUDENTIAL INDICATOR		BUDGET 2019/20	FORECAST 2019/20	COMMENTS
4.	Capital Financing Requirement (excludes Housing)	£'m 259.8	£'m 239.0	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**  
**HOUSING 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	£40.0m	Simply the approved and forecast capital expenditure.
3.	Capital Financing Requirement	£174.2m	£170.5m	The Capital Financing Requirement reflects the underlying need to borrow for Housing Capital Investment.