

## **Report of Executive Cabinet**

### **Capital Programme 2009/10 to 2011/12 – Monitoring report.**

1. The Executive Cabinet considered at its meeting on 12<sup>th</sup> November 2009 a report of the Assistant Chief Executive (Business Transformation) proposing changes to the Capital Programme for 2009/10 to 2011/12.
2. We were requested to consider the submission of an application to capitalise (i) the anticipated redundancy payments arising from planned restructure proposals; and (ii) the impairment of the Icelandic investment that would otherwise be charged to the revenue budget for 2010/11. The report also recommended the increased use of the VAT Shelter income from Chorley Community Housing in order to minimise the temporary increase in borrowing in 2009/10 to offset the rephasing of asset sales receipts to a later year when market values are expected to rise.
3. After taking account of the proposed expenditure increases, the rephasing of capital receipts to 2010/11 and the increased use of the VAT Shelter income, together with other minor or neutral changes, the borrowing requirement in the current financial year is expected to rise by £786,180, albeit that a significant element will be temporary pending the receipt from asset sales which have been postponed pending an upturn in the market.
4. A copy of the report presented to the Executive Cabinet on 12<sup>th</sup> November 2009 is attached so that the Council is able to take account of the relevant factors before taking decisions on the Capital Programme.

#### **Recommendations:**

5. The Council is recommended:
  - (a) to approve the revised Capital Programme for 2009/10, as set out in Appendix 1 to the attached report;
  - (b) to note the proposed amendments to the provisional Capital Programme for 2010/11, as shown in Appendix 1 to the attached report;
  - (c) to authorise the submission of applications for Directions to enable the capitalisation of redundancy and pension strain costs and the impairment of the Icelandic investment;
  - (d) to request budget holders to review their uncommitted 2009/10 budgets in order to identify whether any expenditure could be re-phased to a later financial year.

COUNCILLOR KEVIN JOYCE  
Executive Member (Resources)

There are no background papers to this report.

AU