

Report of	Meeting	Date
Director of Transformation (Introduced by the Executive Member for Transformation)	Executive Cabinet	12 th August 2010

CAPITAL PROGRAMME MONITORING 2010/11 – 2012/13

PURPOSE OF REPORT

1. To update the capital programme to take account of expenditure rephased from 2009/10.
2. To add new projects that are to be financed by external contributions or virement from other existing capital budgets.
3. To increase or reduce other capital budgets to reflect changes to the specific resources expected to be available to finance them.

RECOMMENDATION(S)

4. That the revised capital programme for 2010/11 presented in Appendix 1 be approved.
5. That the amendments to the provisional capital programme figures for 2011/12 and 2012/13, presented in Appendix 1, be noted.

EXECUTIVE SUMMARY OF REPORT

6. The capital programme for 2010/11 to 2012/13 should be increased from £12,037,260 to £13,327,540 as a result of the rephasing of expenditure from 2009/10 (£728,830) and other changes (£561,450) as identified in Appendix 2.
7. Though the programme has increased, there is no increase in borrowing other than that previously budgeted to finance part of the expenditure rephased from 2009/10. However, to avoid any increase in borrowing, it is important that all budgeted resources are secured, in particular VAT Shelter income from Chorley Community Housing and capital receipts from the disposal of surplus assets before schemes commence.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

8. To update the 2010/11 capital programme to take account of the rephasing of expenditure of expenditure from 2009/10; and to add, rephase and vire budgets to take account of the estimated availability of capital resources.
9. To update the provisional capital programme figures for 2011/12 and 2012/13 to take account of the rephasing of expenditure and changes to the resources estimated to be available to finance the programme.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

10. None.

CORPORATE PRIORITIES

11. This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the Central Lancashire sub-region		Develop local solutions to climate change.	
Improving equality of opportunity and life chances		Develop the Character and feel of Chorley as a good place to live	
Involving people in their communities		Ensure Chorley Borough Council is a performing organization	✓

BACKGROUND

12. The capital programme for 2010/11 to 2012/13 was approved by Council of 2nd March 2010, as follows:

	£	
2010/11	8,640,510	
2011/12	1,935,640	
2012/13	1,461,110	
Total 2010/11 – 2012/13	12,037,260	

13. The provisional outturn for 2009/10 was reported to Executive Cabinet of 3rd June 2010. Net rephasing of expenditure totalling £728,830 to 2010/11 was identified. Additional changes are identified in Appendix 2 and are explained below. The rephasing from 2009/10 and other changes from 2010/11 to 2012/13 increase total expenditure for the three years to £13,327,540, as indicated in Appendix 1.

CAPITAL PROGRAMME 2010/11

14. A £400,000 S106 contribution for affordable housing development is available to be spent during 2010/11 and a further sum of £200,000 should be received during the year. Contributions to projects in 2010/11 include Crosse Hall Lane (£80,000) and Devonport Way (£78,000). The affordable housing budget is also increased as a result of the release of a low cost home ownership covenant and repayment of an affordable housing-related grant.
15. The budget for Disabled Facilities Grants can be increased by £55,000 because a bid for additional Government funding was successful.
16. The budget for design fees relating to Town Centre Investment can be reduced by £6,000, because this expenditure was charged to the revenue budget in 2009/10.
17. The budget for Performance Reward Grant funded schemes should be reduced by £79,460 to match the balance of PRG brought forward from 2009/10. No further PRG is now expected in 2010/11. Unless any committed Local Strategic Partnership schemes can be capitalised, it is suggested that the grant be used to finance existing council schemes with the aim of releasing VAT Shelter income to finance LSP-related revenue expenditure.

18. New signage to complete the Astley Park improvement scheme can be provided by transferring an uncommitted balance from Village Hall grants (£8,980) and £18,230 from Groundwork projects.
19. The Cemetery Development budget can be reduced by £3,560 because the expenditure was charged to the revenue budget last year.
20. A new budget for the Unified Intelligent Desktop can be added to the programme as a result of £285,000 capital funding from the North West Improvement and Efficiency Partnership (NWIEP).
21. The Replacement Benefits System can be added to the programme at a cost of £186,000 by using part of the Invest To Save budget. Annual revenue savings of £69,000 should be achieved from 2011/12 onwards.
22. It is not certain that the Government will approve capitalisation of restructuring costs such as statutory redundancy costs or pension fund payments in 2010/11. Guidance for submitting capitalisation applications in respect of 2010/11 is not currently available.
23. The only increase in borrowing identified is £131,230 in respect of expenditure rephased from 2009/10. However, to avoid any additional borrowing, it is important that all capital resources are received as budgeted, in particular VAT Shelter income from Chorley Community Housing and capital receipts from the sale of surplus assets. However, members should be aware that, in the event of the anticipated income and receipts not being realised, it will be necessary to reconsider the Capital Programme.

CAPITAL PROGRAMME 2011/12 and 2012/13

24. Of the £690,000 affordable housing budget, £400,000 is now available to spend in 2010/11 so the budget for 2011/12 has been rephased.
25. A bid has been submitted for an increase in Government funding for Disabled Facilities Grants to £400,000. The figures for 2011/12 and 2012/13 have been increased by £220,000 to reflect this bid. Further adjustment may be required once actual resources available for DFGs are known.
26. The budget for PRG-financed schemes in 2011/12 can be deleted because no further PRG is expected.

IMPLICATIONS OF REPORT

27. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal		No significant implications in this area	

Financial implications are set out in the body of the report.

GARY HALL
DIRECTOR OF TRANSFORMATION

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Michael L. Jackson	5490	26 th July 2010	Capital Programme 2010-11-2012-13 Monitoring Report Aug 2010.doc