



Contract and Financial Procedure Matters Report

SUMMARY

- 1.1 This report deals with the following item that required reporting to Council Cabinet and approval by Council under Contract and Financial Procedure rules:
- changes to the capital programme including additional borrowing

RECOMMENDATIONS

- 2.1 To request that cabinet recommend to full council the additional borrowing required for changes to the Public Sector Housing Capital programme.

REASON FOR RECOMMENDATIONS

- 3.1 As included in the report.

SUPPORTING INFORMATION

- 4 **Changes to the Capital Programme**

4.1 Housing Revenue Account

The approved capital programme includes £5m for the installation of solar panels on Council bungalows throughout the City. Take up and eligibility has been slightly higher than anticipated and the latest projected cost for these properties amounts to £5.4m.

While the Government generation tariff remains at its current relatively generous level, until the end of March 2012, it is recommended that the opportunity be taken to expand the current scheme. It is now proposed to include sheltered housing complexes at Rebecca House, Whitecross House and Kestrel House and also to include common areas of flats. The installation of the solar panels to common areas should reduce service charges for all tenants in the complex.

In total, the new estimated total cost will be £7m. It is therefore requested that the capital programme is increased by £2m. It is also recommended that the whole £7m be funded through unsupported borrowing as these will be capital assets of the HRA and will produce sufficient revenue to service the new debt.

OTHER OPTIONS CONSIDERED

9.1 None.

This report has been approved by the following officers:

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| Legal officer Financial officer Human Resources officer Service Director(s) Other(s) | Martyn Marples, Director of Finance and Procurement |
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| For more information contact: | Mark Nash, Group Accountant, 01332 643364, mark.nash@derby.gov.uk |
| Background papers: | None |
| List of appendices: | Appendix 1 – Implications Appendix 2 - Summary of further changes to the capital programme 2011/2012 Appendix 3 – Capital Scheme Commencements |

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| IMPLICATIONS |
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Financial

1.1 As outlined in the report.

Legal

2.1 As outlined in the report.

Personnel

3.1 As outlined in the report.

Equalities Impact

4.1 As outlined in the report.

Health and Safety

5.1 None for consideration

Carbon commitment

6.1 All capital schemes make considerations to the Council's policy

Value for money

7.1 As outlined within the report

Corporate objectives and priorities for change

8.1 These recommendations, where relevant, are in line with approved budgets which accord with the Council's corporate priorities.