

## **CORPORATE STRATEGY AND FINANCE**

A record of decisions made by the Executive Member with responsibility for Corporate Strategy and Finance on:-

**WEDNESDAY, 29<sup>th</sup> AUGUST, 2007**

following consideration of the matters detailed below in the presence of:-

Councillor Morris	Executive Member Corporate Strategy and Finance
Councillor J. Walsh	Major Opposition Spokesperson
Councillor Hayes	Minor Opposition Spokesperson
Mr. S. Harriss	Chief Executive
Mr. A. Eastwood	Director of Legal and Democratic Services
Mrs. S. Curran	Deputy Director of Corporate Resources
Mr. D. Mee	Head of Estates
Mrs. V. Ridge	Principal Democratic Services Officer

### **35. MONITORING OF EXECUTIVE MEMBER DECISIONS**

The Director of Legal and Democratic Services submitted a report which monitored the progress of decisions within the portfolio of the Executive Member Corporate Strategy and Finance.

**The Executive Member Corporate Strategy and Finance NOTED the progress of the decisions taken.**

### **36. AGGREGATE FINANCIAL MONITOR FIRST QUARTER 2007/08**

The Director of Corporate Resources submitted a report that advised the Executive Member of the outcome of the first quarter Aggregate Financial Monitoring exercise for 2007/08.

The report considered the ;

- General Fund Revenue Monitoring;
- Aggregate Capital Monitoring; and
- Monitoring of the Prudential Guidelines.

Overall there was a net increase in revenue balances of £787,000 compared with the outturn report to the Executive on 18<sup>th</sup> June 2007.

The significant changes were as follows:

- A reduction in estimated interest costs by £180,000;
- Increased Airport Dividend of £975,000; and
- Loss of rebate from the Yorkshire Purchasing Organisation £368,000

A number of other pressures and risks were noted at this time.

Projected Capital Expenditure had increased by £20,123, 000. The increase was largely made up of scheme slippage from 2006/07. Expenditure at the projected level could be fully funded.

A capitalisation directive had been sought in respect of equal pay settlements for the current year and £2,000,000 had been included in the capital monitor for this purpose.

Monitoring of Prudential Indicators showed that two indicators were beyond those approved by the Council and therefore more fixed rate borrowing had been incurred than the limit set.

Consequently ,given the current trend of rising interest rates, it was proposed that the upper limit on fixed rate borrowing be amended to 96% to avoid the necessity to take variable rate loans at an inappropriate time. The only other area where projections suggested limits may be exceeded was Capital Expenditure, however this was not unusual at this time of year and it was likely slippage to 2008/09 would bring the

expenditure to within the prudential limits.

**The Executive Member NOTED the report and requested the Council to raise the limit on fixed rate borrowing to 96% of the total for 2007/08.**

### **37. VAT MONITOR 2006/07**

The Director of Corporate Resources submitted a report that advised the Executive Member of the VAT recovery situation in 2006/07 and the prospects for the current and future years.

The Executive Member was reminded that the Council could make a full recovery of VAT paid to suppliers providing the total VAT relating to exempt activities was less than 5% of the total reclaimed. In the current year there would be a cost of approximately £1.765m in unrecoverable VAT if the 5% limit were exceeded.

The report advised of the outturn for 2006/07 and considered the prognosis for future years.

The Appendix detailed the outturn figures which demonstrated a full VAT recovery had been achieved in 2006/07.

**The Executive Member NOTED –**

- (i) a full VAT recovery was achieved in 2006/07;**
- (ii) a full VAT recovery is anticipated in the current and future years;**
- (iii) action may be required to manage the VAT position when the Council becomes involved in property acquisition for future development, expenditure on replacing or upgrading crematorium equipment or providing premises for onward letting; and**
- (iv) future changes in expenditure projections; service delivery methods or VAT regulations may affect VAT recovery and these will be monitored and subject to**

**further reports at the appropriate time.**

### **38. THE ORCHARDS AT CHERRY TREE PV SCHEME AND WATER HARVESTING SCHEME**

The Director of Corporate Resources submitted a report which informed the Executive Member of the use of the emergency powers procedure to accept a grant for the installation of Photovoltaics (using the sun's energy to create electricity) at the Orchards at Cherry Tree CP School.

The grant had to be accepted by 29<sup>th</sup> July, 2007 and the opportunity was taken to install a water harvesting collection tank at the same time.

The total cost of the scheme was £90,000 using £57,000 from the energy reserve and £33,000 from the above mentioned grant.

**The Executive Member NOTED the use of the emergency powers procedure.**

### **CONFIDENTIAL ITEMS**

**The background papers and reports in relation to the following items were considered confidential as defined in paragraph 3 of Schedule 12A of the Local Government Act 1972 and that it be deemed that, in all the circumstances of each case, the public interest in their exemption outweighs the public interest in their disclosure.**

### **39. LAND AT MANOR COURT ,HARWOOD**

The Director of Corporate Resources submitted a report which requested the Executive Member's approval to the provisionally agreed terms for the lease of an area of land (former Manor Court Elderly Persons Home) to provide 40 flats for elderly people.

Monies amounting to £1.634 m had been received from the Department of Health and a planning application had been submitted.

**The Executive Member AGREED –**

**(i) The transaction as outlined in the report and authorised the Director of Legal and Democratic Services to complete the necessary legal documentation; and  
CONSIDERED –**

**(ii) That the purpose which the land is to be disposed of at an undervalue is likely to contribute to the promotion of improvement of social wellbeing of the area as set out in the General Disposal Consent (England) 2003.**

**40. LAND AT BRADFORD ROAD GREAT LEVER**

The Director of Corporate Resources submitted a report which sought the Executive Member's approval to dispose of an area of land at Bradford Road Great Lever to the St Vincent Housing Association at less than the market value owing to poor ground conditions.

The land was to be used to construct 33 affordable housing units.

The Executive Member was reminded that Under Section 31 of the Housing Act 1985, the Council may dispose of land for the purpose of providing housing of any description for such consideration as can be reasonably obtained in the circumstances, notwithstanding that a higher consideration might have been obtained if the land were to be disposed of for housing of another description, or for another purpose.

**The Executive Member AGREED – that this item be deferred for further information regarding the proposed site.**