

## **BOROUGH OF REIGATE AND BANSTEAD**

### **EXECUTIVE**

Minutes of a meeting of the Executive held at the New Council Chamber - Town Hall, Reigate on 29 November 2018 at 7.30 pm.

Present: Councillors M. A. Brunt (Leader), G. J. Knight (Deputy Leader), R. H. Ashford, Mrs. N. J. Bramhall, K. Foreman, A. C. J. Horwood and T. Schofield.

Also present: Councillors Mrs. R. Absalom, J. C. S. Essex, N. D. Harrison, R. C. Newstead, Mrs. R. S. Turner and C. T. H. Whinney.

#### **75. MINUTES**

**RESOLVED** that the Minutes of the Executive meeting held on 8 November be approved as a correct record and signed.

#### **76. APOLOGIES FOR ABSENCE**

**Executive Members:** Councillor J.E. Durrant and Councillor E. Humphreys.

**Non-Executive Members:** None.

#### **77. DECLARATIONS OF INTEREST**

None.

#### **78. REPLACEMENT OF THE COUNCIL'S FLEET OF DOMESTIC REFUSE COLLECTION VEHICLES**

Councillor A.C.J. Horwood, Executive Member for Neighbourhood Services, explained that the proposals set out in the report, of the Strategic Head of Operations, addressed the need to replace the Council's existing fleet of 17 Refuse Collection Vehicles. The following points were noted by the Executive:

- The existing fleet had been procured in 2011/12 as part of the planned introduction of an enhanced kerbside recycling service.
- Vehicles were entering their seventh year of continuous service.
- An options appraisal had been undertaken and it was noted that this had considered the use of alternative fuels and had compared the lease hire of vehicles with outright purchase. It was also highlighted that opportunities in relation to potential refurbishment of some vehicles, to extend service life, had been explored.

In response to questions, Councillor Horwood highlighted that the proposals set out in the report supported the outright purchase of diesel vehicles, complying with Euro VI emission standards, over a three year period, along with the refurbishment of selected vehicles from the existing fleet. The Executive Member went on to explain that this approach provided flexibility and would allow the Council to react to any changes in waste legislation and any changes to financial transfers that would be

agreed between Surrey County Council and Reigate and Banstead post 2020/21. The Executive was informed that should the proposals be approved:

- Three new replacement vehicles would be procured in 2019/20 at an estimated cost of £600,000. It was noted that an additional sum of £120,000 would be made available for the refurbishment of up to three vehicles from the existing fleet.
- Up to seven vehicles would be purchased in 2020/21 with an estimated total cost of £1.5 million. It was noted that an additional sum of £120,000 would be made available for refurbishment.
- The arrangements for 2020/21 would be repeated in 2021/22.
- At the end of the process an entirely new fleet of household Refuse Collection Vehicles would be in operation.

Councillor Horwood explained, by phasing the procurement of new vehicles over three years, the financial burden of future replacement would be mitigated by extending the period over which any future fleet was acquired.

During the discussion a number of issues were considered in relation to alternative fuels, including the distinction between air pollution and greenhouse gas emissions.

In response to questions, the Leader of the Council explained that currently alternative fuels were not viable (at the time of making the decision) however rapid technological advances meant these would be kept under close review. It was also emphasised that the proposed approach provided flexibility and allowed for improvements to be made, within an agreed budget, to the Council's fleet in the future. This included further consideration of alternative fuels, once these became viable, and other considerations to ensure the recycling service remained cost effective, robust and fully legally compliant.

In conclusion, the Executive Member for Neighbourhood Services explained the regular collection of household recycling and residual waste was one of the Council's highest profile services. It was highlighted that residents expected their waste to be collected in a timely and efficient manner and that this required a fleet of well maintained, reliable vehicles that were fit for purpose each and every week.

**RECOMMENDED that, in order to fulfil resolution (ii) below, financial provision be made as follows:**

- **Include within the Council's capital programme planning the sum total of £600,000 in financial year 2019/20 to fund the initial purchase of three new vehicles;**
- **Include within the Council's capital programme planning the sum total of £120,000 in financial years 2019/20, 2020/21 and 2021/22 to fund a refurbishment programme of vehicles from the current fleet; and**
- **Include within the Council's capital programme planning the sum total of £1.5 million in financial years 2020/21 and 2021/22 (£3 million total across these two financial years) to fund the purchase of up to fourteen new vehicles.**

**RESOLVED** that:

- (i) The Council's current fleet of domestic refuse collection vehicles be recognised as approaching the end of its economical service life.
- (ii) The Council purchase new vehicles over a period of three financial years, concluding in 2021/22, supported by the refurbishment of vehicles from the current fleet (Option 2).
- (iii) The Strategic Head of Neighbourhood Operations be authorised, in consultation with the Leader of the Council and Executive Member for Neighbourhood Services, to make revisions to the replacement options and approach within the agreed budget as required.

**Reason for decision:** To continue to deliver a cost effective, robust and legally compliant refuse collection service for the borough's residents.

**Alternative options:** To outright capital purchase a new fleet with in-house maintenance, with capital expenditure incurred in one financial year (2019/20); to contract hire a new fleet of vehicles, with maintenance undertaken in-house; or to contract hire a new fleet of vehicles, with outsourced maintenance.

## **79. PROPERTY ACQUISITIONS**

It was noted that there was one property acquisition proposed, the acquisition of a freehold in Salfords as set out below.

### **79.1 Acquisition of Freehold in Salfords**

Councillor Mrs N.J. Bramhall, Executive Member for Property and Acquisitions, introduced a report concerning the acquisition of a property freehold in Salfords.

The Executive Member highlighted that the Council's Five Year Plan (2015-2020) identified property investment and development as one of its key objectives. As set out in the report, Councillor Mrs Bramhall explained that this acquisition would provide the Council with rental income from occupational leases, with scope for rental and asset value growth in the short term.

The Executive was informed heads of terms for the purchase were in the process of being agreed and it was highlighted that the report recommended a delegation be put in place to allow variations to the agreed terms. It was noted that this would allow for any necessary changes following the usual rigorous due diligence requirements.

The Executive Member for Property and Acquisitions explained full details of the Council's bid, including the financial implications, had been set out in the exempt Part 2 report on the agenda. It was also highlighted that additional exempt information, concerning financing options for the purchase, had been published via an addendum.

**Clerk's note** – at this point in the meeting (at 8.00pm) agenda item 5a (Acquisition of Freehold in Salfords) was adjourned so that exempt information, at agenda items 8 (Exempt Business) and 9a (Acquisition of

*Freehold in Salfords – Exempt), could be considered ahead of making a decision.*

**Clerk's note** – *The minutes of the meeting reflect the order of business listed on the published agenda, not the order taken during the meeting.*

On conclusion of agenda item 9a (at 8.12pm) the Executive returned to agenda item 5a and;

**RESOLVED** that subject to a satisfactory due diligence report being received, the Head of Finance and Assets, in consultation with the Director for Finance and Organisation, the Executive Member for Property and Acquisitions, and Executive Member for Finance, be authorised to: (a) acquire the Freehold referred to in the report for investment purposes; and (b) agree any variations to the heads of terms and to the acquisition price further to external valuation advice and due diligence investigations as set out in the exempt Part 2 report.

**Reason for decision:** To obtain Executive authority to proceed with a freehold acquisition in Salfords to secure additional income to support the Council's 5 Year Plan objective to become financially self-sufficient.

**Alternative options:** Investigate alternative property acquisitions, investigate a joint venture on the purchase or do nothing.

## 80. STATEMENTS

None.

## 81. ANY OTHER URGENT BUSINESS

None.

## 82. EXEMPT BUSINESS

**RESOLVED** that members of the press and public be excluded from the meeting for agenda item 9a (Acquisition of Freehold in Salfords - Exempt) under Section 100A(4) of the Local Government Act 1972 on the grounds that: (i) it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act; and (ii) the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

## 83. PROPERTY ACQUISITIONS (EXEMPT)

It was noted that there was exempt information to consider in relation to one property acquisition proposed, the acquisition of a freehold in Salfords as set out below.

### 83.1 Acquisition of Freehold in Salfords (exempt)

Councillor Mrs N.J. Bramhall, Executive Member for Property and Acquisitions, introduced the exempt report and Councillor T. Schofield, Executive Member for Finance, provided an update on the financial information set out in the addendum to the agenda.

During the discussion the Leader of the Council, the Executive Member for Property and Acquisitions, and Executive Member for Finance responded to questions concerning the purchase.

**RESOLVED** that the exempt information in relation to the acquisition of a freehold in Salfords be noted.

The Meeting closed at 8.13 pm