

**MINUTES OF AN EXTRAORDINARY
MEETING OF SURREY HEATH
BOROUGH COUNCIL held at Surrey
Heath House, Camberley on
9 November 2016**

+ Cllr John Winterton (Mayor)
+ Cllr Valerie White (Deputy Mayor)

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| + Cllr Dan Adams | - Cllr Oliver Lewis |
| + Cllr David Allen | + Cllr Jonathan Lytle |
| + Cllr Rodney Bates | + Cllr Katia Malcaus Cooper |
| - Cllr Richard Brooks | + Cllr Bruce Mansell |
| + Cllr Nick Chambers | + Cllr David Mansfield |
| + Cllr Bill Chapman | + Cllr Alan McClafferty |
| + Cllr Mrs Vivienne Chapman | + Cllr Charlotte Morley |
| + Cllr Ian Cullen | + Cllr Max Nelson |
| + Cllr Paul Deach | Cllr Adrian Page |
| - Cllr Colin Dougan | + Cllr Robin Perry |
| + Cllr Craig Fennell | + Cllr Chris Pitt |
| Cllr Surinder Gandhum | + Cllr Joanne Potter |
| + Cllr Moira Gibson | + Cllr Nic Price |
| + Cllr Edward Hawkins | + Cllr Wynne Price |
| + Cllr Josephine Hawkins | + Cllr Darryl Ratiram |
| + Cllr Ruth Hutchinson | + Cllr Ian Sams |
| + Cllr Paul Ilnicki | + Cllr Conrad Sturt |
| + Cllr Rebecca Jennings-Evans | - Cllr Pat Tedder |
| + Cllr David Lewis | + Cllr Victoria Wheeler |

+ Present
- Apologies for absence presented

41/C Apologies for Absence

Apologies for absence were submitted on behalf of Councillors Richard Brooks, Colin Dougan, Oliver Lewis and Pat Tedder.

42/C Minutes

It was moved by the Mayor, seconded by the Deputy Mayor, and

**RESOLVED that the minutes of the meeting of the Council held
on 5 October 2016 be approved as a correct record.**

43/C Joint Waste Contract

The Council was informed that the Executive, at its meeting on 9 November 2016, had made decisions as outlined below:

- (i) that Bidder A be awarded the Joint Waste Collection and Street Cleansing Contract commencing on 5th February 2018 up to and including 5 June 2027, with the option to extend by one or more successive consecutive periods until 2 June 2041;
- (ii) that Council enters into the Joint Contract with each of the partner authorities and Bidder A;
- (iii) that the Council enters into the successor Inter Authority Agreement (Second IAA) with the other partner authorities, Elmbridge Borough Council, Mole Valley Borough Council and Woking Borough Council and Surrey County Council (in its capacity as the waste disposal authority);
- (iv) that a lease of part of Doman Road Depot be granted, at a peppercorn rent, to Bidder A commencing on 5th February 2018 and co-terminus with Surrey Heath's participation in the Joint Contract and the Second IAA;

In addition the Executive had recommended as follows:

- (i) funding of £3.2m be included in the capital programme for 2017/18 and 2018/19 to provide capital funding for vehicle purchase funded by borrowing;
- (ii) the Executive Head of Corporate be authorised to update the Constitution with any required changes in light of agreeing the Second IAA; and
- (iii) the Community Portfolio Holder (and an appropriate named deputy) be appointed as the Council's representative on the Joint Waste Collection Services Committee.

Members were advised that in the process of developing the contract, it became clear that, if the Joint Waste Authority was to purchase the vehicles required to deliver the services, this would enable a further saving on the contract costs charged by the Contractor.

Accordingly, the participating authorities had agreed that the Contractor would procure and buy the vehicles, taking full responsibility for their specification and fitness for purpose, and then the Authority would buy the vehicles from the Contractor, funding the capital expenditure either from reserves or from Prudential Borrowing.

Vehicles would be owned by individual authorities but leased back to the contractor. The contractor had guaranteed the life of each vehicle and would be required to cover the remaining term of the lease should a vehicle require replacement before its book life was complete. Should the contract be terminated, any residual value would pass back to the individual authority together with any unamortised debt.

The Second Inter Authority Agreement, which the Executive had adopted at its meeting on 9 November 2016, set out how liabilities, rights, duties, undertakings and responsibilities arising from or out of the Joint Contract would be shared and managed between the authorities and also provided the terms governing the Partner Authorities' joint working arrangements throughout the term (including any extension) of the Joint Contract.

The Second IAA outlined the governance arrangements to oversee the Joint Contract and how decisions in relation to the Joint Contract and the services delivered by the contractor would be made by elected Members and officers. It also established new Terms of Reference for the Joint Waste Collection Services Committee (JWCSC) to oversee the implementation and evolution of the contract over its lifetime.

The revised governance arrangements included retaining some decisions for Executive or Council, as well as delegating some decisions formerly exercised by the Executive to the JWCSC. Any consequential amendments to the Scheme of Delegation of Functions to Officers would also need to be considered.

It was proposed that £3.2m be included in the capital programme in 2017/18 and 2018/19 in order to provide capital funding for the vehicle purchase, to be funded by borrowing. It was also proposed that the Executive Head of Corporate be authorised to make any required changes to the Constitution arising from the Executive's decision to agree a Joint Waste Contract and a second Inter Authority Agreement.

It was proposed by Councillor Moira Gibson and seconded by Councillor Vivienne Chapman and

Resolved

- (i) **to note the decisions of the Executive made on 9 November 2016 relating to the award of the Joint Waste Collection and Street Cleansing Contract, the entering into of the Inter Authority Agreement and the lease of part of Doman Road;**
- (ii) **that funding of £3.2m to be included in the capital programme for 2017/18 and 2018/19 to provide capital funding for vehicle purchase funded by borrowing;**
- (iii) **that the Executive Head of Corporate be authorised to update the Constitution with any required changes in light of agreeing the Second Inter Authority Agreement; and**
- (iv) **that the Community Portfolio Holder be appointed as the Council's representative on the Joint Waste Collection Services Committee and the Regulatory Portfolio Holder be appointed as the deputy representative.**

44/C Revision to Prudential Indicators

The Council considered a report proposing a change to the Council's Prudential Indicators to permit further borrowing to allow investment in property in furtherance of the Council's Key Priority 2. The increase in Prudential Indicators did not commit the Council to borrow as this would be a decision based on a business case showing the financial return. It would also be necessary to increase the Capital Programme for 2016/17.

Members were advised that when entering into borrowing the Council must be confident not only that the interest could be serviced but also that the debt could be repaid through the mechanism of a Minimum Revenue Payment. This risk was minimised by only investing in assets which complied with the Property Acquisition Strategy and by borrowing on a fixed basis for the longest possible period. The Council was working with its financial advisors on its borrowing strategy in order to increase returns whilst reducing risk.

RESOLVED that

- (i) **the setting of the level of External Debts and the Prudential Indicators be approved as set out in Annex A; and**
- (ii) **the Capital Programme for 2016/17 be increased by £36 million for property investment in accordance with the Property Acquisition Strategy.**

Mayor