

Executive Member	Cllr Michelle Watson
Strategic Management Team Lead Officer	Graeme Kane (Corporate Head of Service)
Author	Graeme Kane
Telephone	01306 870 622
Email	graeme.kane@molevalley.gov.uk
Date	25 th October 2016
Ward (s) affected	All
Key Decision	Yes

Subject	Future Surrey Waste Partnership
<p>RECOMMENDATIONS</p> <p>1. The Executive agrees to extend the Inter Authority Agreement (IAA) relating to the Joint Waste Collection Contract (JWCC) and the Joint Waste Collection Services Committee to include the Waste Disposal Authority (WDA) functions (as follows) that currently reside with the county council, on the basis that this will not affect how decisions related to the JWCC are made nor have any negative financial implications for Mole Valley District Council.</p> <p>WDA Partnership functions to be included in the IAA:</p> <ul style="list-style-type: none"> • Kerbside improvement initiatives to increase recycling and reduce waste arisings; • Payments to waste collection authorities; • Data management and monitoring; • Policy development and alignment; • Performance management; • Engagement with government, the waste sector, industry and others on the waste agenda. <p>2. The Executive delegates responsibility to the Corporate Head of Service for Environmental Services in consultation with the Executive Member for Environment and other members of the Joint Waste Collection Services Committee to amend the Inter Authority Agreement to enable this expansion.</p> <p>3. The Executive supports further development of the co-owned single tier entity model for waste services and asks the relevant Corporate Head of Service, in consultation with the Executive Member for Environment to work with partner authorities within the joint collection contract and SWP to develop the model with the aim of presenting a business plan to the Executive in 2017.</p>	

<p>EXECUTIVE SUMMARY</p> <p>The Surrey Waste Partnership (SWP) has enabled Surrey authorities to perform increasingly well by working together.</p> <p>Analysis undertaken in-house and by environmental consultants has indicated that whilst the current level of co-operation has been beneficial, greater collaboration and co-ownership of</p>
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the entire waste service would result in significant financial savings and further improvements to the services offered to residents. Therefore, it is proposed that a phased approach is taken to create a single entity (the Partnership Group) to manage waste in Surrey. Given the Joint Waste Collection Contract (JWCC) Authorities have already aligned their services and intend to create a shared waste function as well as a Joint Committee to govern the contract, it is logical for them to be among the first to create the single entity together with Surrey County Council (SCC). While the first phase represents the four JWCC Authorities moving to the Joint Contract, the second phase integrates the WDA functions from SCC into the Partnership Group. In the first instance, SCC would include their Partnership functions into the Partnership Group. The Executive is recommended to approve this initial stage. The SWP could then be asked to do further analysis to determine the implications for including further SCC functions within the entity as well as additional waste collection authorities.

The governance of the single entity would be ensured through a Joint Committee to include SCC and any WCA that chose to join the entity. Each full member of the authority would have an equal vote on matters residing within the Joint Committee's jurisdiction. For the first time, districts and boroughs would make decisions relating to the waste disposal arrangements in their localities.

ENVIRONMENT

A highly attractive area with housing that meets local need

- Protect and enhance the natural and built environment and ensure our areas of natural beauty are well looked after.
- Encourage residents to protect the environment by reducing their use of our natural resources, reusing materials and recycling more.
- Encourage our communities to take care of their environment, and support them by tackling fly-tipping, littering and dog fouling.

PROSPERITY

A vibrant local economy with thriving towns and villages

- Look for innovative ways to minimise the cost to taxpayers of Mole Valley District Council whilst protecting the standard of services.

The Executive has the authority to determine the Recommendations

1. BACKGROUND

- 1.1. The Surrey Waste Partnership (SWP) has enabled Surrey authorities to perform increasingly well by working together. The co-operation between the waste disposal authority (WDA), Surrey County Council (SCC) and the waste collection authorities (WCA) has contained the costs of waste management in the county as well as enabled improved recycling rates and service improvements for residents. Most recently, this has included the creation of a SWP communications team who have delivered a number of award winning campaigns and a pooled budget that has enabled MVDC or (WCAs) to trial new and innovative resident engagement initiatives.
- 1.2. Analysis undertaken in-house and by the environmental consultancy Eunomia has indicated that whilst the current level of co-operation has been beneficial, greater collaboration and co-ownership of the entire waste service would result in significant financial savings and further improvements to the services offered to residents. This analysis is set out in Section 4 of Annex 1: a strategic business case for progressing towards a single-tier entity for waste services in Surrey. It suggests that up to £12.4m per year could be saved from the collective budgets of WCAs and the WDA through:

- operational efficiencies
 - increasing recycling
 - gaining greater value from materials
 - increasing commercial waste collections
 - back office efficiencies.
- 1.3. In addition, a single entity could further reduce the overall costs of waste management by aligning the operational and management functions of all the authorities within a co-ownership model and ensure that waste management in Surrey is designed as one complete system. This would mean that kerbside collection rounds, transfer stations and Community Recycling Centres (CRCs) were aligned and the service to our residents was joined up and consistent.

Building on the joint collection contract

- 1.4. The four joint waste collection contract authorities (JWCC Authorities) have worked closely and successfully together to procure a joint waste collection contract (Joint Contract) that has the potential to deliver significant financial savings and service improvements on the collection aspects of waste management. However, neither the Joint Contract nor the Inter Authority Agreement (IAA) that will govern the future working arrangements of the JWCC Authorities includes any of the waste disposal arrangements currently managed by SCC. This arrangement results in continued duplication of some waste functions as well as the continued risk that policies and services designed by the disposal authority are not in line with those designed by the collection authorities, and vice versa.
- 1.5. The governance of the single entity would be ensured through a Joint Committee to include SCC and any WCA that chose to join the entity. Each full member of the authority would have an equal vote on matters residing within the Joint Committee's jurisdiction. For the first time, districts and boroughs would make decisions relating to the waste disposal arrangements in their localities.
- 1.6. Given the JWCC Authorities have already aligned their services and intend to create a shared waste function as well as a Joint Committee to govern the contract, it is logical for them to be among the first to create the single entity together with SCC. The intention however is to encourage and enable other WCAs to join the entity as soon as possible. Their membership could either be through the Joint Contract or under their own collection arrangements. The former is likely to bring greater collective benefits but the latter would still reduce duplication and therefore bring financial and service benefits to all parties.

Phased approach

- 1.7. As set out in figure 2 of Annex 1, it is proposed that a phased approach is taken to create a single entity (the Partnership Group) to manage waste in Surrey. The first phase represents the four JWCC Authorities moving to the Joint Contract and the second phase integrates the WDA functions from SCC into the Partnership Group.
- 1.8. The WDA has two key statutory functions, which it carries out through a 25 year PFI contract with Suez:
- 1.9. To arrange for the disposal of controlled waste collected by Surrey's Waste Collection Authorities (WCA) in Surrey
- 1.10. To provide places for, and disposal of, waste deposited by householders in the county i.e. the Community Recycling Centres.
- 1.11. In addition to these core functions, the way that waste management operates in Surrey means that the disposal authority also has a number of functions that enable the two tiers of waste management to operate (the WDA Partnership functions):
- Kerbside improvement initiatives to increase recycling and reduce waste arisings;

- Payments to waste collection authorities;
- Data management and monitoring;
- Policy development and alignment;
- Performance management;
- Engagement with government, the waste sector, industry and others on the waste agenda.
- SCC is also the host authority for the Surrey Waste Partnership, which includes:
 - Surrey wide communications and engagement;
 - Strategy development and monitoring;
 - Management of key SWP projects;
 - SWP governance.

1.12. In order to integrate the totality of the statutory WDA functions into the Partnership Group, further work is required to develop a fair and transparent cost sharing mechanism, which builds on the principles set out in Section 5.9 of Annex 1.

1.13. Whilst this work takes place, it is proposed that the WDA Partnership functions transfer to the Partnership Group, alongside the management of food, green waste and other recyclables collected at the kerbside. The WDA will separately continue to manage residual waste collected at kerbside by WCAs and processed at the WDAs transfer stations as well as run the CRCs until the work on the cost sharing mechanism is completed.

What would this mean in practice?

1.14. The transfer of the WDA Partnership functions from the WDA would extend the scope and remit of the Joint Waste Collection Services Committee, but would not lead to material changes to the IAA.

1.15. In terms of governance, the decision making process for matters relating to the Joint Contract would be unchanged; the nominated representatives from each of the four JWCC Authorities would collectively make these decisions. For decisions relating to the wider waste agenda, the nominated representative from the county council would join the district and borough representatives in collectively making decisions. Both scenarios will be based on a one authority: one vote system, as set out in the IAA.

1.16. The WDA Partnership functions that would be transferred to the Partnership Group do not carry with them any financial liability. They would, however, demonstrate the early benefits of single tier working by reducing the current duplication of effort inherent in the current system. The changes would further improve the service and cost effectiveness of waste operations offered to Mole Valley residents, as well as placing Mole Valley District Council at the heart of work to set the strategic direction for waste management in the medium to long term, alongside the authorities within the Partnership Group.

1.17. It is proposed that this change takes place in early 2017 in order realise these benefits as soon as possible and start to create a one team ethos from the commencement of the Joint Contract.

1.18. It is also proposed that the county council and the JWCC Authorities engage with Surrey's other district and borough councils about the opportunity to transfer the management of the SWP office into the Partnership Group to further reduce duplication of effort, although the SWP would continue to act on behalf of all of Surrey's authorities.

Full integration of the WDA and additional WCA partners

1.19. The transfer of the WDA statutory functions into the Partnership Group is much more complicated and has greater financial, operational, legal and decision-making

consequences. Before these functions are considered for transfer, further work is necessary to fully develop the business plan and revise the IAA in order to reflect the changes to the partnership arrangements. This work will confirm: the scope of functions to be transferred; the cost sharing mechanisms between the authorities; the governance arrangements; and the legal status of the Partnership Group.

- 1.20. The business plan will also outline how additional WCA can join the Partnership Group, either as part of the Joint Contract or with their own collection arrangements.
- 1.21. It is proposed that this work will take place during 2017 and will be considered by the Executive in the Autumn of next year. This work will be led by the SWP Manager and be funded by the SWP.

Financial Implications

- 1.22. There are no financial implications as result of the recommendations for this report. The costs of developing the business case for consideration by the Executive next year will be met by the SWP's existing budget. The changes to the IAA to include the WDA Partnership functions will ensure that the existing Partner Authorities are not financially disadvantaged by the extension to the IAA's scope. The financial implications of extending the IAA to include all WDA functions may have some financial implications for MVDC and these will be considered in the business case and presented to the Executive before any decisions are made to extend the scope of the IAA.

Legal Implications

- 1.23. The immediate priority for MVDC is to finalise and enter the Second IAA as this is required to be in place as at the date the Joint Contract is entered into with the Contractor. As any amendment to the Second IAA will need to involve a review of that document in conjunction with the four partner authorities, as well as requiring review by SCC's legal advisors, it is recommended that any extension of the Second IAA be dealt with by way of a deed of variation, rather than hold up signing of the Joint Contract. Although the preliminary view is that this should not create any new obligations on the four partner authorities, there may be employment and/or other financial implications, and providing for this expansion to be dealt with separately will enable a proper analysis of the implications of using the jointly funded Contract Management Office which is to be hosted by Elmbridge Borough Council as the administering authority in the first instance prior to any consideration of establishing a co-owned company to be properly understood and any consequential implications for MVDC to be considered.

2. OPTIONS

- 2.1. **Option 1:** Support the further development of the co-owned single tier entity; immediately expand the scope and function of the current IAA between the Joint Waste Collection Contract Authorities to include some of the waste functions from the county council ("the WDA Partnership functions") and amend the IAA to reflect these changes. Recommended
- 2.2. This option enables the authorities to work more effectively together to join up waste functions across the district and the county. The first phase of including some of SCC functions helps to reduce duplication and stream-line the back-office functions of both authorities. The further development of the co-owned entity will allow officers and Members to explore the financial and environmental benefits of working more closely together on all aspects of waste across the county.
- 2.3. **Option 2:** Support the further development of the co-owned single tier entity but do not expand the scope and function of the current IAA between the Joint Waste Collection Contract Authorities to include some of the waste functions from the county council ("the WDA Partnership functions") until at least that work has been completed and considered.
- 2.4. This option allows officers and Members to fully explore the financial and operational benefits of creating a co-owned single entity but delays the introduction of some of the WDA functions from the county council. This would delay the realisation of any of the

benefits gained from including the initial tranche of functions from SCC and leaves the current arrangements to continue without the immediate benefits of working more closely together.

2.5. **Option 3:** Do Nothing

2.6. This option would not enable officers or Members to explore the financial and operational benefits of working more closely together nor realise the benefits of doing so.

3. CORPORATE IMPLICATIONS

Monitoring Officer commentary

3.1. The Monitoring Officer is satisfied that the relevant legal implications have been taken into account.

S151 Officer commentary

3.2. The Section 151 Officer is content that the direct financial implications of this issue have been identified and effectively considered in the report.

Risk Implications

3.3. The risks associated with the recommendation are limited; there is no transfer of responsibility to Mole Valley District Council as a result of the IAA being amended to allow the Joint Committee to make decisions relating to the WDA Partnership functions. There is greater risk in including the statutory WDA functions involved in managing the transfer stations and CRCs, therefore careful analysis and consideration will be carried out during the development of the business case before these functions are included in the IAA.

Equalities Implications

3.4. Any service changes that may occur as a result of working more closely together will be subject to an Equalities Impact Assessment to ensure they do not disadvantage any of the more vulnerable in our communities.

Employment Issues

3.5. The inclusion of the WDA Partnership functions into the IAA will not affect the terms and conditions of MVDC staff nor their roles within the current working arrangements. The further extension to the IAA to include the statutory functions may have an impact on MVDC staff and MVDC's liabilities for any SCC staff that transfer into a joint entity, but these implications depend on many factors which are currently unknown and will be considered and analysed as part of the development of the business case and included for the Executive to consider in Autumn 2017.

Sustainability Issues

3.6. The continual stream-lining of waste management in Surrey is expected to make the waste system more effective, raise recycling rates and reduce carbon emissions.

Consultation

3.7. No public consultation will be carried out to extend the IAA, although the work of the Partnership Group will no doubt include consultation with the public in developing and improving waste services.

Communications

3.8. Where changes to the management of waste collection or disposal affect residents, relevant communications will be conducted to ensure they are aware of the changes and, where appropriate, the reasons for them. The recommended option is likely to reduce the likelihood of confusion and duplication in communication and help to ensure residents receive a consistent message from both tiers of local government. The joint communications currently carried out by the Surrey Waste Partnership on behalf of all the Surrey authorities will continue regardless of the option chosen but the recommended option is likely to make this arrangement even more effective.

ANNEXES

Annex 1: a strategic business case for progressing towards a single-tier entity for waste services in Surrey.

BACKGROUND PAPERS

None



SWP Future

Strategic business case for a co-owned entity for waste services

Autumn 2016, Version 1

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1. Purpose

- 1.1. This document sets out the strategic business case for delivering the waste management services of the Surrey Waste Partnership (SWP) partner authorities in a new and innovative way.
- 1.2. It has been produced following a Surrey Chief Executives meeting in March 2016, where it was agreed that:
 - 1.2.1. Chief Executives were committed in principle to creating a joint entity to deliver waste services across the county
 - 1.2.2. Those authorities currently in the joint collection contract, and SCC, who are able to do so now, develop a detailed proposal and implementation plan, and others consider joining in due course.
- 1.3. The primary aim of this business case is therefore to enable the joint collection contract authorities and the county council to decide whether or not to pursue the proposed new working arrangements, and thereafter to produce a more detailed business plan in early 2017.
- 1.4. Its secondary aim is to enable all other partners to consider the proposals so that they may contribute to the further development of the principles in the detailed business plan.

2. Background and current arrangements

- 2.1. SWP is made up of Surrey County Council (SCC) and the 11 district and borough councils in the county. It aims to manage Surrey's waste in the most efficient, effective, economical and sustainable manner.
- 2.2. The 11 district and borough councils are waste collection authorities (WCAs) and are responsible for the collection of Surrey's municipal waste. The county council is the waste disposal authority (WDA) and is responsible for running Surrey's 15 community recycling centres (CRCs) and the disposal and treatment of all waste and recycling from the WCAs and the CRCs.
- 2.3. Surrey's authorities currently deliver waste services individually either through in house (DSO) arrangements or via a third party contractor. Each authority also has an in house team which manages the DSO or contractor.
- 2.4. Surrey's authorities collaborate via SWP which has no specific powers or delegated authority but helps the authorities to work towards delivering a joint strategy, which was adopted by all partners in 2015. SWP pools money centrally and manages a wide range of joint initiatives including communications campaigns, door stepping households with low recycling rates and improving recycling at flats.
- 2.5. A diagram summarising the current arrangements is shown in Figure 1.

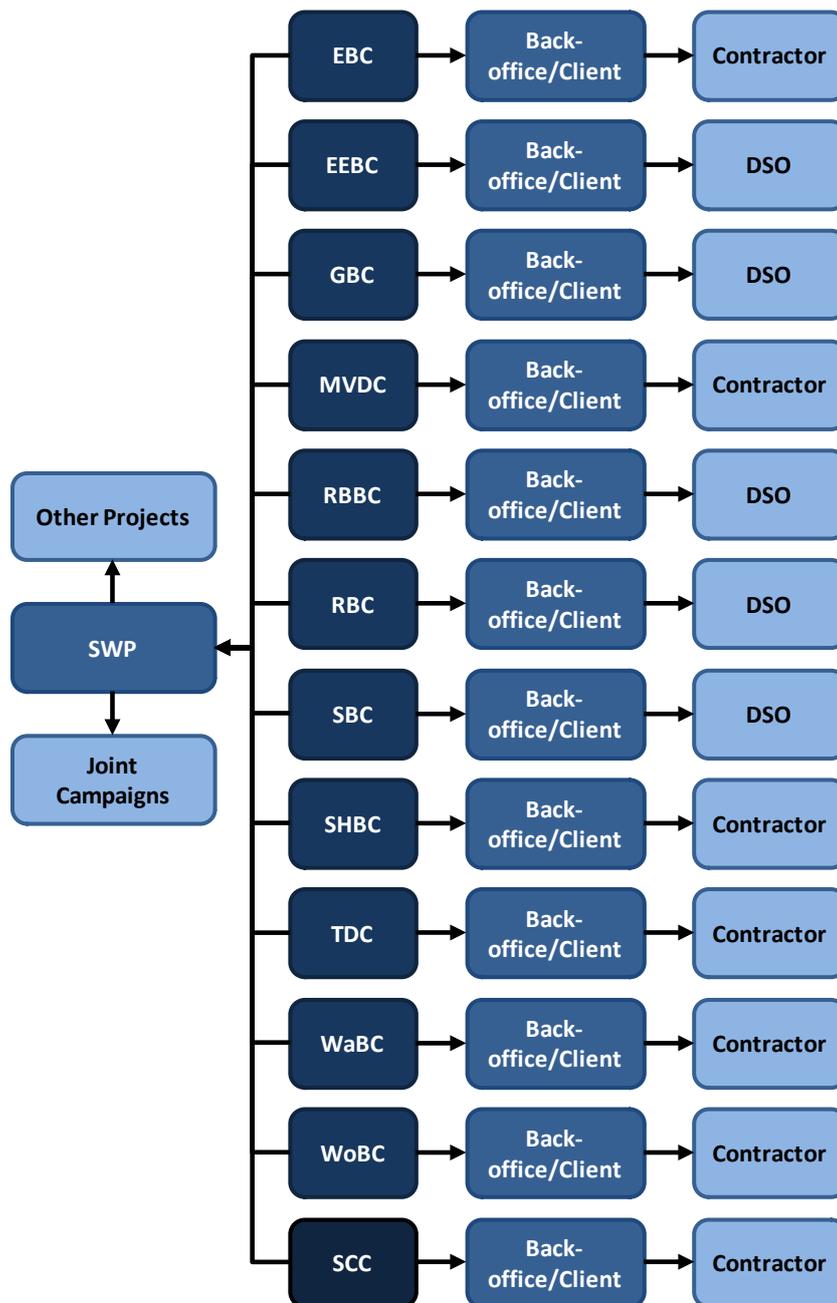


Figure 1: Current arrangements for delivering waste management services in Surrey

- 2.6. The two-tier nature of waste management in Surrey has resulted in a complicated set of statutory and non-statutory financial transfers between the WDA, the WCAs and SWP, totalling around £11 million per year. The majority of these payments are used to support and incentivise WCAs to maximise recycling.
- 2.7. Despite the complicated structure of the current arrangements, much has been achieved by the SWP over the last few years. Waste collection arrangements have largely been aligned, the range of recycling materials able to be collected has greatly increased, and food waste collection from houses is now universal. These improvements in the service for Surrey residents have resulted in performance increases, with the overall recycling rate rising from 35% in 2007/8 to around 53% today.

2.8. Alongside these performance and service improvements, the overall annual expenditure on waste management in Surrey has been contained at around £79 million, despite a rise in population and increases in the cost of waste disposal.

3. Issues with the current arrangements

3.1. Whilst recycling rates are relatively high and the costs of waste management have been contained, there are several major areas where further improvements could be made, yielding major savings and other benefits to Surrey taxpayers. These improvement areas include:

3.1.1. **Operational efficiency** – running waste services as efficiently as possible

3.1.2. **Capturing recycling** – maximising the proportion of household waste that is recycled

3.1.3. **Value from recycling** – maximising the value of collected recyclables

3.1.4. **Commercial waste** – maximising income from commercial waste services

3.1.5. **Back-office** – running service management functions as efficiently as possible

3.2. Unfortunately, issues with the current waste management arrangements in Surrey mean that progress in delivering these potential improvements is being limited. Table 1 explains how.

Table 1: Summary of issues with current waste management arrangements in Surrey

Issue	Description
Different budget lines mean different priorities	WCAs focus on collection and the WDA on CRCs and disposal. These different priorities make it difficult to align decision making and focus on improving the areas with the biggest taxpayer impact.
SWP has no delegated authority	Authorities are not obliged to implement any decisions agreed by SWP, making it difficult to deliver joint improvement projects.
Confused governance	Each authority's officers receive instructions from SWP Members and its own Members. Sometimes the instructions can conflict with each other, which can harm the delivery of joint projects.
Too many interfaces between bodies	There are interfaces within each authority, between WCAs, between WCAs and the WDA and between all authorities and SWP. As a result, delivering joint improvement projects requires many interactions and is therefore very slow and time intensive.
Lack of economies of scale for collecting waste	By running individual collection services, there are missed opportunities for savings from route optimisation, sharing staff, productivity improvements, operational management efficiencies and procurement efficiencies.
Duplication of assets and holdings	Depots, spare vehicles, offices and equipment could be shared more effectively to release capital.
Lack of economies of scale for managing recyclables	Whilst collected recyclables can be managed jointly in the current two-tier system, new financial mechanisms will need to be put in place which can be difficult and time consuming.

Issue	Description
High risk on recyclables prices for each authority	If WCAs make their own arrangements for processing recyclables (as they currently do) they are fully exposed to the notoriously volatile commodities markets.
Jointly procuring contracts and infrastructure is complicated	Without a jointly owned and governed legal body for waste services it will be difficult and time intensive to jointly procure major services/assets, requiring a bespoke agreement to be created each time. This can severely delay procurement.
Inconsistent collection services	Most WCAs' collection services are broadly similar, however there are differences between all of them which can confuse residents and make joint communications difficult. Recycling improvements may be smaller as a result.
Resident confusion about who delivers waste services	Residents may not know who to talk to in order to ask questions and properly engage with their waste services. They may fail to recycle effectively as a result.
Conflicting central and local communications	Each authority delivers communications on waste and recycling in addition to SWP's joint communications. Messages can sometimes contradict each other and confuse residents, and communications work can be duplicated unnecessarily.
Uneven distribution of back office staff across the county	If there are insufficient staff in an area, improvement projects cannot be delivered effectively.
De-centralisation of knowledge and experience	Knowledge and experience is shared through SWP, but this is done infrequently and incompletely meaning some partners do not benefit from it.
Duplication of back office roles	Similar jobs are duplicated across Surrey's authorities, particularly in the areas of staff and contract management. Reducing unnecessary duplication will save money.

3.3. At a time when all of Surrey's authorities face unprecedented financial challenges, the need to drive major improvements in waste management has never been greater. However, if the issues above are not overcome, improvements will continue to be small and slow.

3.4. A major transformational change to the way that Surrey's authorities work together is the only way that all of the issues in Table 1 can be resolved and major improvements realised.

4. The case for change

4.1. This section briefly explains the proposed transformational change and estimates the scale of the benefits that could be expected as a result.

4.2. Figure 2 is a blueprint which sets out the journey from the current arrangements/state to a final state where a single joint entity manages the delivery of waste services for all 12 of Surrey's authorities.

Current state



Tranche 1



Tranche 2



Tranche 3/Final state

Current service arrangement

Joint waste collection contract
Elmbridge, Mole Valley, Surrey Heath and Woking move to a joint collection contract with a shared client that will deliver all waste functions.

Adding the WDA
Surrey County Council adds its functionality to the joint entity created by the four WCAs.

The proposed final state involves all remaining WCAs joining the entity. It will deliver its waste functions via in house services and/or the right mix of outsourced contracts.

Figure 2: Blueprint for new partnership working arrangements in waste

- 4.3. It is important to note at this point that four WCAs: Elmbridge, Mole Valley, Surrey Heath and Woking (The Four) are at an advanced stage of procuring a single contractor to deliver their waste collection and street cleansing¹ services (Tranche 1 in Figure 2).
- 4.4. An inter authority agreement has been drafted which sets out how The Four plan to manage the joint contract. It says that a contract management office (CMO) will be set up that will deliver all of the waste management responsibilities of the four authorities. The CMO will manage the contractor and deliver all other office based services related to waste management and street cleansing (where applicable).
- 4.5. By procuring a joint contract and managing it via a joint entity (the CMO), The Four will overcome many of the issues associated with the current arrangements and realise significant benefits. The assessment below estimates what these benefits might be, but also explores what further benefits could be realised by expanding the CMO/joint entity to include the rest of Surrey's authorities.
- 4.6. **Cost benefit analysis**
 - 4.6.1. In 2015, SWP undertook a high-level assessment of the financial benefits from moving to a county-wide joint entity. This was done using a ready reckoner from the consultancy IESE which estimated a savings range of £8m to £12m a year.
 - 4.6.2. SWP has since commissioned a more comprehensive cost benefit analysis, using a bottom up approach and considering both financial and non-financial costs and benefits. The work was awarded to Eunomia Research and Consultancy, the same contractor that has been providing technical advice to the joint contract procurement team.
 - 4.6.3. Using a set of data held centrally by SWP, and assumptions based on experience from other local authorities Eunomia estimated the costs and benefits of moving from the current arrangements to the final state described in Figure 2.
 - 4.6.4. The net financial benefits that are unlocked by this transformational change are shown in Figure 3. The estimated benefits from Tranche 1 (the work of The Four alone) are also shown separately on the graph. Results are presented in ranges i.e. high, low and central cases, in order to emphasise the uncertainty inherent in forecasting the outcome of complex re-organisations and partnership working.

¹ Woking BC is unlikely to deliver street cleansing services through the joint contract because street cleansing is done through its existing environmental maintenance contract

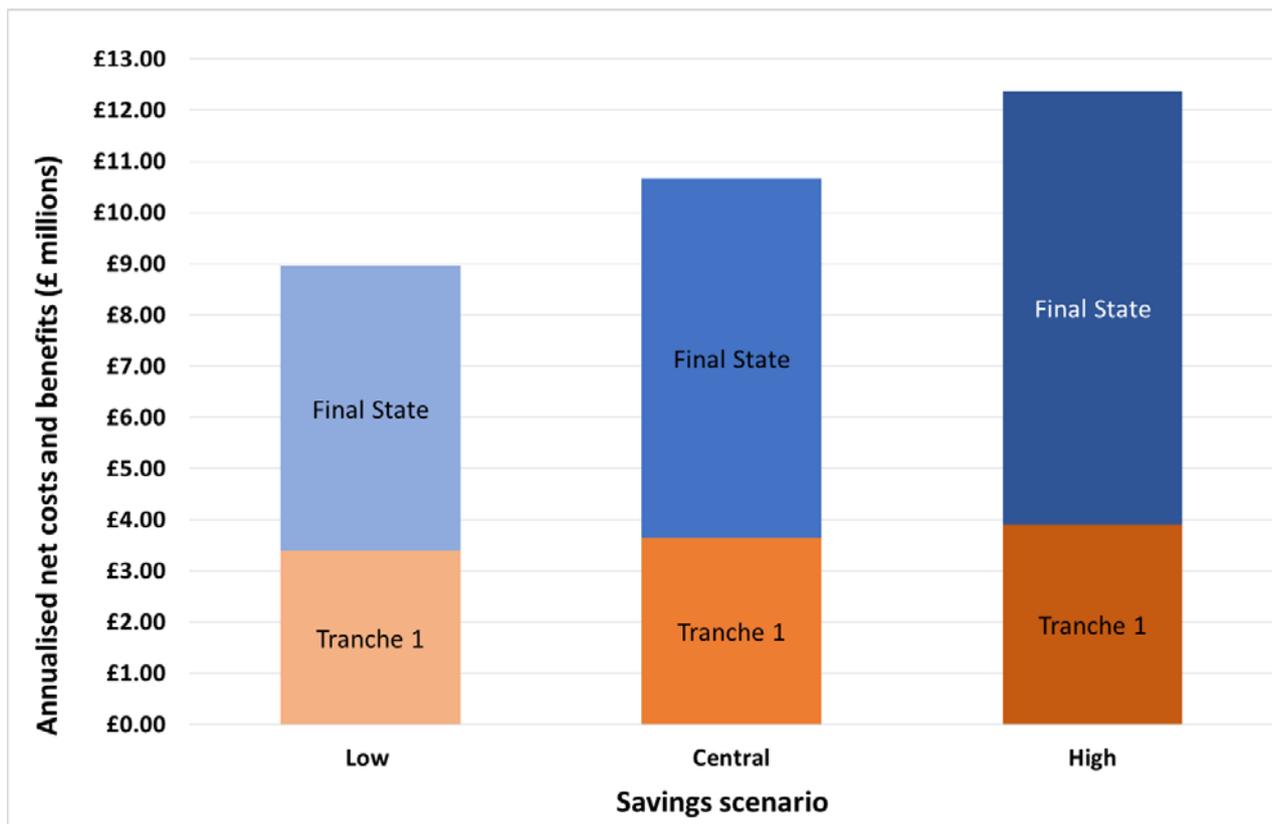


Figure 3: Net financial benefits from moving to a joint entity

- 4.6.5. It can be seen from Figure 3 that the financial benefits are significant. If all of Surrey’s authorities moved to the final state, annual savings of between £9.0m and £12.4m could be realised. This equates to between 11.4% and 15.7% of the consolidated budget for waste management in Surrey. The savings range is similar to that projected in 2015 using the IESE ready reckoner.
- 4.6.6. Figure 4 takes the middle bar from the graph above and breaks it down into the five key improvement areas to show where the costs and savings are projected to occur.

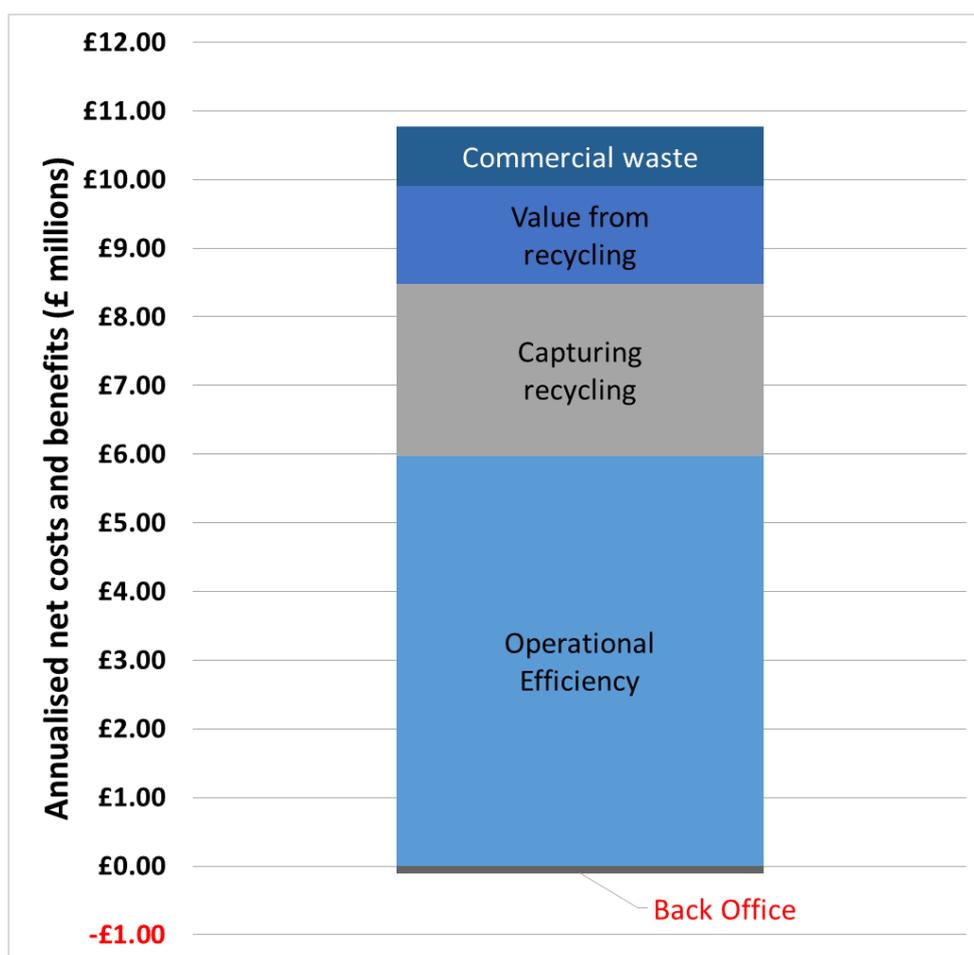


Figure 4: Breakdown of Costs and Benefits (final state, central case)

4.6.7. The costs and savings in Figure 4 are broken down further in Table 2 below. The table also explains how working as a joint entity will allow these costs and savings to be realised.

Table 2: Breakdown and explanation of costs and savings in the final state central case scenario

Area	Item	Saving (£ millions)	Explanation
Operational Efficiency	Collection costs	4.18	These savings can only be achieved by a unified collection service. They come from maximising the efficiency of a service over a county-wide area.
	Collection system increased productivity	0.86	
	Sharing vehicles	0.16	
	Sharing depots	0.33	Some of these savings are technically possible if all partners work together. However the barriers posed by the current system are currently preventing them from happening, and with the exception of the joint contract, there are no plans in place that will realise these savings. Creating a single entity with a unified collection service will mean that all partners will share these savings and a simple organisational structure means there will be fewer organisational barriers to delivering them.
	Sharing collection staff	0.30	
	Joint buying vehicles	0.14	
	Joint buying fuel	0.03	
	Joint buying bins and containers	0.02	

Area	Item	Saving (£ millions)	Explanation
	Joint contract procurement	-0.04	The complexity and size of a joint procurement exercise could result in greater costs than for an individual procurement.
	Sub-total	5.97	
Capturing recycling	Avoided disposal savings	3.27	Recycling will increase in a Surrey-wide joint entity due to faster joined up decision making, fewer organisational barriers, consistent communications to residents, simpler customer interfaces for residents, consistent application and enforcement of recycling policies and sufficient staff resourcing to deliver improvement projects. A consistent and optimised collection system will also make recycling as easy as possible for residents.
	Fees/income on additional recycle	-0.77	
	Sub-total	2.50	
Value from recycling	Improved materials marketing	1.43	Significant savings are available from selling all of Surrey's collected recyclables together. Whilst possible via current arrangements, a joint entity will make the process much faster and easier by removing organisational barriers and interfaces, and removing the need for setting up new financial arrangements which could cause major delays. The final state will involve consistent collection system across the county supported by strong consistent communications, which will maximise the quality and therefore the value of the materials.
Commercial waste	Integrating commercial waste services	0.86	Only four partners currently offer commercial waste services and only Guildford do so on a large scale. With the current arrangements there is little appetite or capacity to increase commercial waste coverage. A joint entity would provide a central marketing and sales capability, improved route density, a consistent collection system for all businesses across the county, the necessary bin weighing and tracking technology and central management systems for data and customers. It would also operate with a more commercial approach.
Back Office	Back office staff	0.41	The costs associated with setting up and running a joint entity are significant due to the potential size of the organisation. These costs will be partly offset by savings from reduced duplication of roles, joint communications activities and a more efficient back-office team.
	Joint communications	0.06	
	Support service	-0.41	
	Setup costs (annualised)	-0.17	
	Sub-total	-0.11	
Total		10.66	

- 4.6.8. Further savings could be achieved from aligning the operation and management of transfer stations, community recycling centres and kerbside collection rounds so that they work as a single complete system². This could be done much faster and more effectively through a joint entity due to its simplified decision making and management structure.
- 4.6.9. All of the financial benefits described above will be shared between all participating authorities (via the principles described in 5.9). By including both tiers in the joint entity, the full range of savings are accessible to all partners. This encourages decision makers to align their thinking and focus on improvements that deliver the greatest benefits to the Surrey taxpayer.
- 4.6.10. In addition to the financial benefits of creating a joint entity, there are other net benefits from making this transformational change. For example, due to the reasons given in Table 2, recycling rates are projected to increase which will lead to environmental performance and reputational improvements. Figure 5 shows how the overall SWP recycling rate could be affected by new working arrangements.

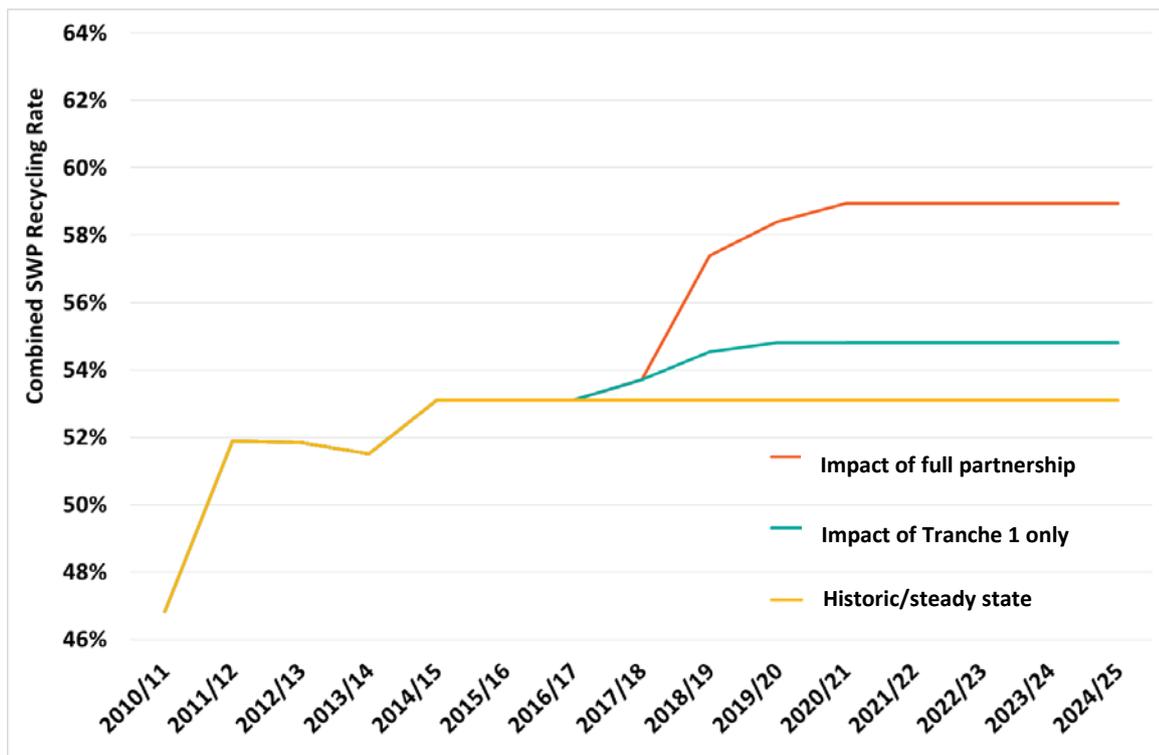


Figure 5: Projected recycling rate improvements

- 4.6.11. The environmental improvements resulting from increased recycling are shown in Figure 6 in terms of carbon dioxide equivalent (CO₂e).

² These savings were not modelled in the cost benefit analysis because doing so would require a high level of detailed analysis involving many different factors/variables.

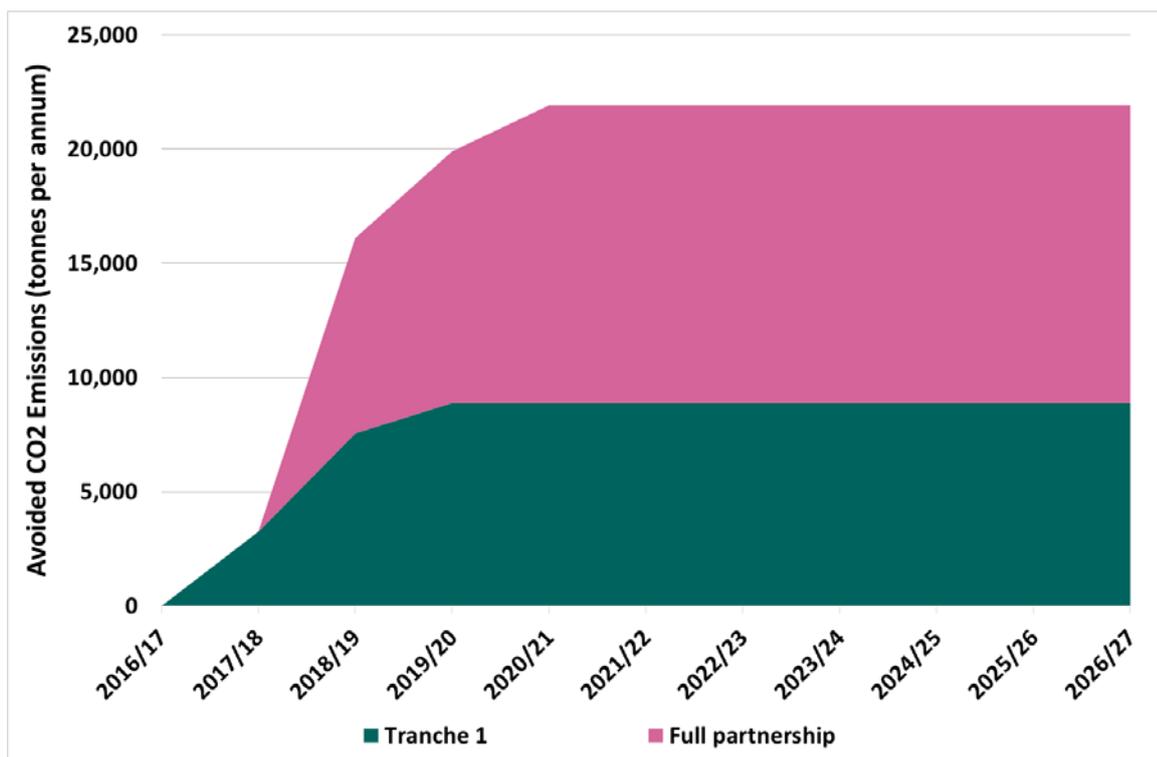


Figure 6: Projected environmental improvements in terms of avoided CO2e

4.6.12. The significant financial and environmental benefits described above can only be fully and efficiently achieved by creating and successfully transitioning to a single co-owned joint entity for waste management. By doing this, Surrey’s authorities will be recognised nationally and internationally as exemplars for best practice in waste management. This will in turn deliver major reputational benefits.

4.6.13. The following section sets out how the joint entity could work, including how the financial benefits described above could be shared (see cost sharing principles in section 5.9).

5. Operation of a joint entity

5.1. This section gives outline proposals for what the joint entity will do and how it will do it. The proposals have been developed using best practice from other partnerships that have developed successful joint entities for waste services.

5.2. Aim

5.2.1. The joint entity will act as an enabler for participating authorities to meet the requirements of SWP’s joint strategy. As the joint entity will be entirely aligned with SWP’s objectives, it makes sense that it shares SWP’s organisational aim:

5.2.2. “To manage Surrey’s waste in the most efficient, effective, economical and sustainable manner.”

5.3. Objectives

5.3.1. To achieve the aim, the joint entity will work towards the following objectives:

- **Deliver improvements.** Through optimised decision making, planning and implementation processes, deliver waste management improvements that deliver best value to Surrey residents.
- **Share costs and benefits.** Share in a fair and equitable manner the costs of delivering the waste services of the partner authorities, and the benefits that come from delivering improvements.
- **Remove organisational barriers.** Create and implement governance, organisation and management structures that remove the organisational barriers to delivering the aim and achieving the performance targets.
- **Mutual trust.** Work together in a spirit of mutual trust, support and respect, and to ensure that when difficulties or differences of opinion arise they are addressed quickly, honestly and openly.
- **Protect partners' interests.** Create and implement joint working arrangements in such a way as to ensure that the interests of each individual partner authority are protected.

5.4. Performance targets

5.4.1. The joint entity will have its own set of performance targets that are relevant to the participating authorities. These targets will be set once it is known which authorities are joining the entity. At the very least the entity will adopt the targets of the SWP joint strategy³.

5.5. Functions

5.5.1. This section describes the functions that the joint entity will deliver.

5.5.2. Surrey's authorities currently deliver the waste management and street cleansing functions described in Table 3. They are split into operational functions and service management (back office) functions.

Table 3: Summary of proposed functions for a joint entity

Operational	
Current WCA functions	
<ul style="list-style-type: none"> • Operating depots • Collection from households and businesses (where applicable) of: <ul style="list-style-type: none"> ○ Residual waste ○ Dry mixed recycling ○ Separate recycling (textiles, WEEE) ○ Food waste ○ Garden waste ○ Healthcare waste ○ Bulky waste 	<ul style="list-style-type: none"> • Litter picking • Street sweeping • Collection of fly-tipping & dead animals • Delivering all collected wastes to tip points
	Current WDA functions
	<ul style="list-style-type: none"> • Operating Community Recycling Centres • Operating material management infrastructure: <ul style="list-style-type: none"> ○ Transfer stations ○ Eco Park

³ Available here:

https://www.surreywastepartnership.org.uk/data/assets/pdf_file/0004/76387/JMWMS_Rev2_v6_STRAT_EGY.pdf

<ul style="list-style-type: none"> • Collection of materials from bring banks • Emptying litter bins • Graffiti removal 	<ul style="list-style-type: none"> ○ Future infrastructure (MRF) • Haulage from transfer stations to treatment facilities • Gate fees for treating collected materials 	
<p>Service management</p> <p>Current functions of both WCAs and WDA</p> <ul style="list-style-type: none"> • Contract management • Data management • Financial management • Staff management • Public relations & communications • Policy & improvement projects • Interface with other public bodies • Governance and reporting • Support services: <ul style="list-style-type: none"> ○ Financial (payroll & payments) ○ Banking services ○ ICT & ICT services ○ HR services 		<ul style="list-style-type: none"> ○ Legal services ○ Procurement ○ Planning • Office consumables, furniture, utilities • Asset management as landlord or owner • Insurance <p>Current WCA functions</p> <ul style="list-style-type: none"> • Enforcement against the public • Customer management <ul style="list-style-type: none"> ○ Green waste service ○ Commercial waste service <p>Current WDA functions</p> <ul style="list-style-type: none"> • Financial relationships with other WCAs (only if there are WCAs outside the entity)

5.5.3. To make the joint entity fully effective, all of the participating authorities will devolve all of their waste management and street cleansing functions to the joint entity. This is unless the responsibilities are managed by other departments and separating them would not represent best value.

5.5.4. Maximising the delegation of functions to the entity will in turn maximise the entity’s influence over the total waste management system thus enabling it to make significant improvements to the whole system.

5.6. Governance

5.6.1. The most common way of governing a local authority joint entity is via a joint committee. Section 101(5) of the Local Government Act 1972 and section 20 of the Local Government Act 2000 permit two or more local authorities to appoint a joint committee to discharge any of their functions jointly⁴.

5.6.2. A joint committee consists of one or more representatives from each of the partner authorities. This is usually the Member with responsibility for the area in question. Decision making is equal, i.e. each partner gets one vote. However the arrangement may retain certain decisions back to the original authorities. The joint committee is usually advised by a board consisting of the lead officer from each partner authority.

5.6.3. A joint committee governance structure is used successfully by other co-owned single tier waste partnerships including Somerset, Dorset and Shropshire. Following a robust assessment of governance options, the four

⁴ Waste Partnership Routemap: Partnership Options, Defra and IESE, 2010

joint collection contract authorities have also decided on a joint committee to govern their single entity.

- 5.6.4. A joint committee will be used to govern the joint entity. The committee will operate using the same principles being used by The Four, which are summarised below.
- 5.6.5. There are certain decisions that cannot be made by the joint committee and must be referred back to the partner authorities. These 'Tier 1' decisions cover the following areas:
- Approval of an authority's contribution to the annual budget
 - Decisions resulting in expenditure beyond the budget
 - Decisions called in by Scrutiny Committees
 - Major service changes with impacts beyond waste
 - Fees, for example garden and bulky waste collection
 - Contract extension or termination
 - Property disposals/acquisitions
 - New authorities joining the agreement
- 5.6.6. A Tier 1 decision that is not agreed by all authorities shall not be implemented unless no other authority is made worse off or otherwise returned to a no worse position.
- 5.6.7. Other decisions are delegated downwards to the joint committee, then to the advisory board and then to the 'authorised officer' who manages the joint entity (see Figure 7).

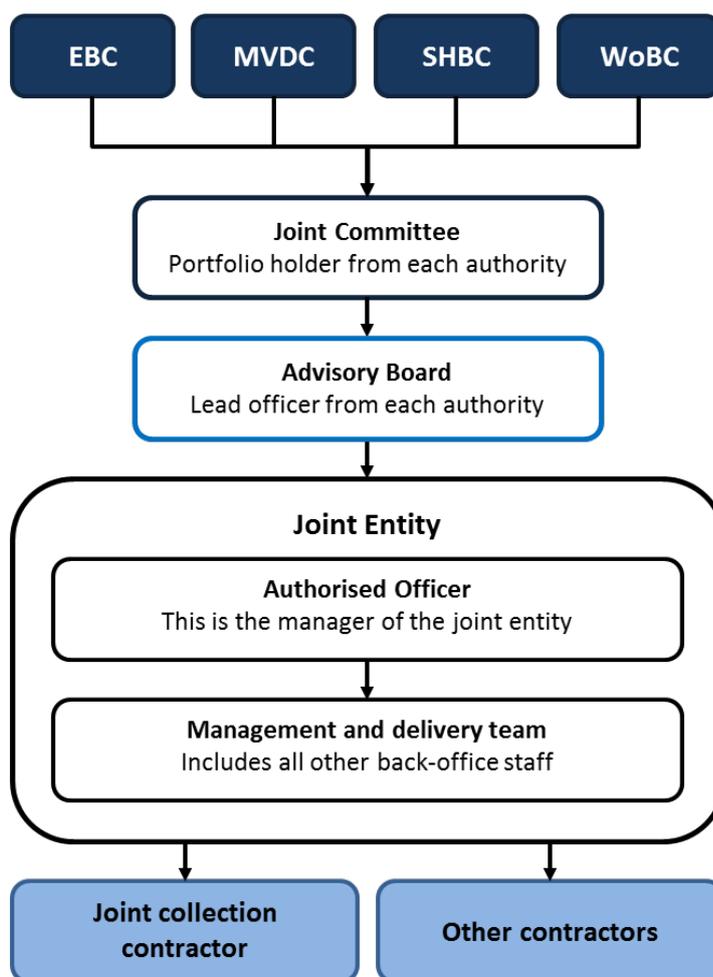


Figure 7: Governance structure for the joint collection contract

5.6.8. The key constitutional arrangements of the joint contract authorities' joint committee can be summarised as follows:

- One Member representative is nominated from each authority to the joint committee
- One senior officer representative is nominated from each authority to the advisory board
- A chairman and vice-chairman are appointed for three year terms
- Each member of the committee has one vote. If a decision will be detrimental to any authority, it must be agreed unanimously. Other decisions are agreed by majority and the chairman has the casting vote.
- A meeting is not quorate unless all partner authorities are represented
- Meetings are held at least four times a year

5.6.9. The equal representation provided by this joint committee model is a further major benefit of a joint entity, particularly to WCAs who, under current arrangements, are subject to the statutory powers of the WDA. Under this model, each partner has an equal vote, and therefore an equal voice in decision making regardless of their size as an authority or their share of the

budget. This means that the entity is truly co-owned and power is shared evenly between partner authorities.

5.7. Legal form

5.7.1. A joint committee, as described above, is a decision making body that can have participating authorities' functions delegated to it and can act as an executive for those functions. However, it does not have a legal personality in its own right, so it cannot enter into contracts, own assets or employ staff. The committee must therefore commission a legally recognised entity to deliver its functions.

5.7.2. There are two types of legal form that the entity could feasibly take:

5.7.2.1. **Administering authority:** one of the participating authorities takes on the three key administrative roles – let contracts, employ staff ('pay and rations'), and support the joint committee. It does not have to host the staff, who could be hosted by a different authority or at an independent leased office. A legally binding inter authority agreement (IAA) is used to define the rights and responsibilities of all partner authorities.

5.7.2.2. **Limited company:** a company is set up to let contracts and employ staff. It receives its directions from the joint committee. The board of directors is made up of a senior officer from each authority. An IAA is still needed to define the rights and responsibilities of partner authorities, but a company will also require a memorandum, articles of association, and a shareholder agreement.

5.7.3. Many factors need to be considered when deciding which of these two legal forms would be most suitable for the joint entity. The key considerations are described in Table 4.

Table 4: Key considerations for the possible legal forms

Consideration	Administrating authority	Limited company
Financial	<ul style="list-style-type: none"> • No setup fees • Tax exempt • No external audit and reporting overheads • Easy access to existing support services and office space • Cannot generate profit. In practice this means that any income from commercial waste services must not exceed the cost of delivering household waste services. 	<ul style="list-style-type: none"> • Administration fees of £30k - £50k per year from: <ul style="list-style-type: none"> ○ Registration as a company ○ Registration for VAT and corporation tax ○ Compiling tax returns ○ External auditing and reporting • Corporation tax payable on 'profit' (in this case, any budget surplus) • VAT unlikely to be payable but by delivering waste services through a company, the VAT exempt status of some authorities may be threatened • Directors are personally liable and may need to be indemnified • Fully enabled to generate profit

Consideration	Administrating authority	Limited company
Simplicity	<ul style="list-style-type: none"> • Legal setup is straightforward and can be done quickly and based on similar arrangements delivered elsewhere • Not as 'neat' as a company especially if administrative and host authorities are different 	<ul style="list-style-type: none"> • Legal setup is complicated, see above and 5.7.2.2. • Once setup a company is a clear and distinct legal body
Governance	<ul style="list-style-type: none"> • Using a joint committee and IAA to govern an administering authority is a tried and tested way of jointly running waste services. • Decision making responsibilities of the authorities, committee, and officer team can be clearly defined 	<ul style="list-style-type: none"> • The joint committee cannot directly control the company. The directors have a legal duty to act in the company's best interest and if this conflicts with the direction of the committee then problems could arise. • This model has not yet been used elsewhere for delivering cross-tier local authority waste services under a joint committee.
Independence	<ul style="list-style-type: none"> • Can be branded separately • Will always be affiliated with the administrative authority although the IAA would prevent the admin authority from having any extra influence or power 	<ul style="list-style-type: none"> • Completely independent • Possibly easier to brand separately and foster a unique independent culture

5.7.4. The considerations in Table 4 are numerous and complicated. They require further detailed consideration when the plans for creating a joint entity are more developed. In the meantime, The Four are intending to use the administering authority model for an initial fixed term to deliver their joint services pending further discussion. The administering authority model will therefore be used as the default legal form for the wider joint entity proposed in this business case.

5.8. Joining the entity

5.8.1. The joint entity will initially consist of The Four (see Tranche 1 in Figure 2). It is proposed that it will then expand to include SCC (Tranche 2). This could happen in two phases, the first being a transfer of a number of SCC's back office functions, including:

- Kerbside improvement initiatives to increase recycling and reduce waste arisings
- Management of food, green waste and other recyclables collected at the kerbside
- Payments to waste collection authorities
- Data management and monitoring
- Policy development and alignment

- Performance management
 - Engagement with government, the waste sector, industry and others on the waste agenda
 - Hosting SWP
- 5.8.2. These functions carry little financial liability and moving them will reduce some of the duplication of effort from the current system as well as helping improve service delivery. This phase could therefore happen quickly.
- 5.8.3. The second phase would include adding SCCs more operational functions, i.e. running CRCs and managing the residual waste collected by the WCAs. Moving these functions later would allow time to consider how their inclusion would affect the joint entity's cost sharing mechanism.
- 5.8.4. Once the joint entity is initially setup, other WCAs will be encouraged to join. Full membership of the entity would involve WCAs adopting the unified collection service. This would deliver the greatest benefits, as described in Section 4.6, and is therefore the recommended option.
- 5.8.5. The unified collection service would be delivered through the joint contract which is currently being procured by The Four. The contract duration is 10 years in the first instance but it can be increased with flexible extensions up to an additional 14 years. It has not been decided what form the unified collection service will take when the joint contract ends.
- 5.8.6. Therefore, to obtain full membership, a WCA will initially need to join the joint contract. The draft IAA created by The Four allows other WCAs to join the contract "where it is lawful to do so in accordance with procurement law, there is a positive benefit to the {original partner} authorities and the costs of the procurement, set up and mobilisation of the contract is recognised by way of a joining fee or other benefit".
- 5.8.7. All of Surrey's WCAs were named on the OJEU⁵ notice when the contract was tendered so it is unlikely that procurement law will be a barrier to potential joiners. It is also likely that an overall positive benefit will be realised due to the scale of joint collection benefits described in Section 4.6. But how new joiners contribute to the costs of procurement, set up and mobilisation of the contract will need to be determined on a case-by-case basis, because the type and scale of benefits that each authority brings is likely to vary.
- 5.8.8. Some WCAs may wish to join the entity but retain control of their local collection services. If this happened, some savings could be realised in the areas of capturing recycling, value from recycling, back office and some small operational efficiencies. However the full savings from operational efficiencies and commercial waste are unlikely to be achieved. Also, the governance of a joint entity with several different collection services is likely

⁵ Official Journal of the European Union

to be more complicated, less aligned and subject to conflicts of interest, so this is not the recommended form of membership.

- 5.8.9. If a WCA wishes to pursue partial membership, then assessments of benefits and feasibility will need to be undertaken and agreements reached on a case-by-case basis between the joint entity authorities and the potential joiners.

5.9. Cost sharing principles

- 5.9.1. Every year, each of the participating authorities will contribute a proportion of the joint entity's total budget. There are many different ways of doing this, so rather than starting from scratch, the cost sharing principles and methodologies of Somerset, Dorset, Shropshire and the joint collection contract authorities have been reviewed and assessed for suitability. From this work, the following high-level cost sharing principles have been developed:

- Costs will be shared on a fair and equitable basis
- Partners will be protected from extra costs resulting from the unilateral decisions of one partner
- Each partner will own a percentage of the total budget so that any savings or cost increases are shared by all partners
- The budget will be set in advance each year and agreed by each individual authority
- If a decision by the joint committee results in expenditure beyond the budget, the revised budget must be approved by each individual authority

- 5.9.2. As described in Section 4.6 this cost sharing method allows all partners to benefit from the savings that a joint entity will deliver. This will encourage decision makers to align their thinking and focus on improvements that deliver the greatest benefits to the Surrey taxpayer.

- 5.9.3. All partners will be keen to know how the costs of delivering their waste services through a joint entity will compare to current arrangements. To do this will require detailed modelling work, which cannot be done without the agreement of the high level principles of this business case. It is therefore proposed that modelling work will take place once the business case has been agreed. Timescales for this are presented in the following section.

6. Timescales

- 6.1. The four joint collection contract authorities are proposing to set up a CMO (i.e. an initial joint entity) by the end of June 2017 for the purposes of managing the joint collection contract. This will happen regardless of whether or not a wider joint entity is being pursued.

- 6.2. Subject to the executives of The Four approving: the joint contract, the setup of the CMO, the transfer of some of SCC's functions and further work following this business case, it is proposed that:
 - 6.2.1. An **inter-authority agreement** for moving some of SCC's functions to the joint entity (as described in Section 5.8.1) is presented to the joint committee of The Four
 - 6.2.2. Subject to agreement, SCC moves some of its functions (as described in Section 5.8.1) to the initial joint entity created by The Four in **mid-2017**
 - 6.2.3. Meanwhile, SWP, in consultation with all partners, creates a detailed **business plan** for the wider joint entity by the end of **April 2017**
 - 6.2.4. Following consideration of the business case and business plan, all other partners reach a **decision in principle** on whether or not to join the entity by the end of **2017/18**
 - 6.2.5. An **inter-authority agreement**, describing exactly how the joint entity will work for all participating partners will be created by the end of **August 2018**
 - 6.2.6. Participating partners will have **approved and signed** the inter-authority agreement by the end of **November 2018**
 - 6.2.7. The single-tier joint entity will **go live** by the start of **April 2019**. From this date, all existing waste service and service management functions of the participating authorities will have moved into the joint entity and will be governed by the joint committee. Authorities moving to the unified collection service will do so when their existing contracts expire.
- 6.3. In order to create the detailed business plan, much further work is required, particularly around the financial mechanisms. The financial work will determine, in detail:
 - 6.3.1. the current waste management budgets/costs for each partner
 - 6.3.2. the detail of the cost sharing mechanism for the joint entity
 - 6.3.3. a mechanism for the two-tier financial relationship between the joint entity and non-participating WCAs
 - 6.3.4. the expected cost to each partner of joining the entity compared to a two-tier financial relationship
 - 6.3.5. the joint entity setup costs and a proposal for funding them
- 6.4. The outputs of the financial and other detailed work will be presented in the business plan in May 2017.
- 6.5. A transformational change of this magnitude clearly carries risks. A high level assessment of these risks is provided in Appendix 1.

7. Conclusion

7.1. Creating the county-wide co-owned entity for waste services that has been described above can address all of the issues with the current system referred to in Section 3. Table 5 explains how.

Table 5: Explanation of how a joint entity can overcome the issues of the current system

Current system issue	How the proposed joint entity can solve the issue
Different budget lines mean different priorities	All partner authorities share the entire budget and have equal decision making powers on all waste functions. Priorities are therefore aligned.
SWP has no delegated authority	The joint committee will have delegated authority over all waste functions of the participating authorities.
Confused governance	The governance structure is simple and will be well defined through an IAA so that responsibilities are clear.
Too many interfaces between bodies	The joint entity will have far fewer interfaces than the current system because it is a single body reporting to a single committee.
Lack of economies of scale for collecting waste	The joint entity will have a unified collection service that will enable economies of scale. If partners join the entity but retain their individual collection services, some economies of scale could still be achieved through closer joint working facilitated by the joint entity's governance and management structure.
Duplication of assets and holdings	Depots, spare vehicles, offices and equipment will be fully rationalised under a joint entity.
Lack of economies of scale for managing recyclables	All partners will share the savings from improved economies of scale through the joint entity's cost sharing mechanism. This will make the central management of recyclables simpler to implement.
High risk on recyclables prices for each authority	The risk of price changes for recyclables will be mitigated through joint marketing and shared through the joint entity's cost sharing mechanism.
Jointly procuring contracts and infrastructure is complicated	As a single legal body, the joint entity can procure contracts and infrastructure far more simply and efficiently.
Inconsistent collection services	A joint entity will encourage all WCAs to join the unified collection service. If WCAs join but retain their existing collection services, it is likely that these will need to be aligned with those of the unified service.
Resident confusion about who delivers waste services	The joint entity can be setup and branded in a way that provides residents with a single point of contact for waste services and removes confusion.
Conflicting central and local communications	A joint entity will deliver all waste communications centrally, removing the need for the duplication of campaigns.
Uneven distribution of back office staff across the county	Joint entity staff will be managed centrally and improvement projects will focus on the problem areas where the biggest value improvements could be made, whilst ensuring that all residents receive a top quality service regardless of location.

Current system issue	How the proposed joint entity can solve the issue
De-centralisation of knowledge and experience	In a joint entity, knowledge and experience from all participating partners will be centralised and shared.
Duplication of back office roles	The joint entity's back-office will be set up so that duplication is avoided.

- 7.2. By overcoming the issues of the current system, a joint entity can enable the significant financial, environmental and reputational benefits described in this business case to be realised, and enable waste services to be delivered in a fairer and more inclusive way.
- 7.3. Each partner is asked to consider this business case, engage in the development of the detailed business plan and reach a decision on their future involvement with the entity in accordance with the proposed timescales.

Appendix 1: Risk Assessment

Table 6: A high-level assessment of risks associated with developing the joint entity

RISK	Initial score			MITIGATION	Post mitigation score		
	IMPACT 1-5	PROBABILITY 1-5	LEVEL IxP = 1-25		IMPACT 1-5	PROBABILITY 1-5	LEVEL IxP = 1-25
One or more of the joint contract authorities does not want to expand the scope of the joint entity to include other authorities.	5	2	10	<ul style="list-style-type: none"> Hold regular project team and one-to-one meetings to identify concerns and solutions Incorporate solutions in the business case, business plan and new IAA Develop contingency plans for a joint entity that excludes one or more joint contract authorities 	3	1	3
SCC does not want to join the entity	4	2	8	<ul style="list-style-type: none"> Involve SCC in all joint contract project team discussions Engage SCC financial officers and develop proposals that they are comfortable with Keep SCC Members informed of proposals and progress 	4	1	4
Other WCAs do not want to join the joint entity	3	5	15	<ul style="list-style-type: none"> Keep officers and members informed of the proposals and benefits Model the costs and benefits of joining the entity for each individual partner Encourage and undertake one-to-one visits to discuss proposals and concerns in detail 	3	4	12
The joint contract does not get adopted	3	2	5	<ul style="list-style-type: none"> Make sure that the governance and cost sharing arrangements allow joint entity to work effectively whilst allowing partners to retain individual collection services See joint contract project risk assessment for probability mitigation measures 	2	2	4

RISK	Initial score			MITIGATION	Post mitigation score		
	IMPACT 1-5	PROBABILITY 1-5	LEVEL IxP = 1-25		IMPACT 1-5	PROBABILITY 1-5	LEVEL IxP = 1-25
The expanded joint entity interferes with the success of the joint contract	3	2	5	<ul style="list-style-type: none"> Agree governance rules that give the joint contract authorities the right level of control over the contract 	3	1	3
The entity's founding partners disagree on key elements of the proposals for the joint entity, such as the functions, delivery model and cost sharing mechanism.	4	3	12	<ul style="list-style-type: none"> Discuss regularly at officer and Member level at project team and one-to-one meetings Discuss thoroughly with finance officers from all partners 	4	1	4
The entity is unable to deliver benefits at the projected level.	4	3	12	<ul style="list-style-type: none"> Review and refine the benefits estimates at key development stages (business plan and inter-authority agreement) Closely review benefits realisation once the joint entity is set up and quickly identify and communicate risk areas 	4	2	8
Delays in work to develop the joint entity result in a delayed start date	3	4	12	<ul style="list-style-type: none"> Make sure that the programme of work is adequately funded and resourced All partners commit to provide staff to deliver the work Programme governance is clearly defined and used correctly 	3	2	6
Delays in approving the business case, business plan or inter-authority agreement	3	3	9	<ul style="list-style-type: none"> Get all partners fully involved in the development of proposals Keep all partners updated on proposals throughout their process Use SWP meetings to give progress updates and seek feedback Programme manager to make sure that the item is on all partners' forward plans Provide template cabinet/council reports for partners to adapt 	3	2	6

