



**Title:** Incorporation of Joint Waste Solutions and Extension of Inter Authority Agreement: Summary of implications  
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## **1. Purpose**

- 1.1 To set out the implications of upcoming changes to governance arrangements to ensure that the views of the Board are built into the next phase of work.

## **2. Introduction**

- 2.1 For over a year, Surrey's authorities (via Surrey Waste Partnership) have been working towards establishing a new form of governance for all joint work involving waste management. The objectives are to remove the organisational boundaries that can lead to a 'them and us' mentality, consolidate the staff that do the joint work into a single effective management structure, and improve the formality and transparency of decision making. In essence the change is about evolving the way county-wide joint work is delivered, from a temporary and informal process, to one that is permanent, structured, flexible and efficient.
- 2.2 The new governance arrangements intend to combine the decision making processes of the five authorities that use Joint Waste Solutions with those used by all 12 authorities, i.e. Surrey Waste Partnership. The result would be a single joint committee which would oversee all joint work, including the work currently delivered by Joint Waste Solutions. Proposed principles for the new arrangements were presented at the last partnership Members' group on 11 July 2018.
- 2.3 This report considers the implications of the proposed changes to the governance arrangements for the five authorities that use Joint Waste Solutions.

## **3. Background**

- 3.1 At present Joint Waste Solutions has two roles:
- It undertakes contract management functions in respect of the Joint Waste Services contract.
  - It also carries out the Surrey WDA Partnership Functions.
- 3.2 These functions are carried out by an integrated team who have been transferred from the various member authorities and who are now being transferred under TUPE to the employment of Surrey Heath Borough Council. The arrangements between the four authorities who are currently parties to the joint waste services contract and Surrey County Council are governed by an inter authority agreement (IAA).
- 3.3 In addition to the governance changes described above, Joint Waste Solutions will operate as a company rather than simply as a team of employees working jointly for the relevant authorities. This will also have implications on decision making, which are explained below.

## **4. Joint working**

- 4.1 The commitment to joint working will be reflected in certain functions being delegated to the joint waste committee by all the Surrey authorities. This will mean the expansion

of the committee to include these further members. Their representatives on the committee will be able to vote on the functions exercised jointly by all the Surrey authorities but not on issues relating to the joint waste services contract.

- 4.2 The arrangements for the expanded joint waste committee will likely be mirrored by arrangements for the Waste Partnership Board. The board will be joined by representatives of the other district and borough councils who will have input on the issues where there is joint working.
- 4.3 Although the responsibility for the management of the joint waste services contract will rest with the authorities which are parties to it, the intention of the new arrangements is to promote joint working. With this in mind, it is intended that at meetings both of the Committee and the Waste Partnership Board, the representatives of the authorities which are not parties to the contract will be present at discussions about issues affecting the contract.

## **5. Company Incorporation**

- 5.1 The Inter Authority Agreement sets out the potential for Joint Waste Solutions to become a company in the future. This would have a number of advantages in terms of streamlining its operation, belonging jointly to the authorities but operating on an arm's length basis and being in a position to undertake functions itself if this proves necessary. The model for incorporation would reflect the need to deliver functions delegated by the partner authorities without going through a procurement process.
- 5.2 The company will have shareholdings. At present it is envisaged that the shares should be held equally between five authorities (i.e. the four authorities which are parties to the joint waste services contract and Surrey County Council). Its operations will be under the control of a board of directors. The preliminary view is that the directors will be officers from the five authorities which will own shares.
- 5.3 The staff who are currently working in the Joint Waste Solutions team will be transferred under TUPE and will be employees of the company.
- 5.4 The directors of the company will be subject to the general duties of directors under sections 171-177 of the Companies Act 2006 essentially:
  - To act within the company's powers
  - To promote the success of the company
  - To exercise independent judgement
  - To exercise reasonable care, skill and diligence
  - To avoid conflicts of interest
  - Not to accept benefits from third parties
  - To declare interests in proposed transactions and arrangements.
- 5.5 This means that issues relating to the way in which the company operates will be matters for the directors of the company once the new arrangements are put in place.
- 5.6 A more detailed incorporation proposal will be considered at the next meeting of the Joint Committee.