

**Business Case of West Berkshire Council's Long-Term Integrated Waste Management Contract**

This document contains redactions which have been made under Section 43 (Commercial Interests) of the Freedom of Information Act 2000.

The exemption annex and public interest test below sets out the reasoning behind these redactions.

More information on Freedom of Information, including how to make a request, can be found on the Council's website here; <http://info.westberks.gov.uk/foi>

<b>43 Commercial interests</b>	
<p>(1) Information is exempt information if it constitutes a trade secret.</p> <p>(2) Information is exempt information if its disclosure under this Act would, or would be likely to, prejudice the commercial interests of any person (including the public authority holding it).</p> <p>(3) The duty to confirm or deny does not arise if, or to the extent that, compliance with section 1(1)(a) would, or would be likely to, prejudice the interests mentioned in subsection (2).</p>	
<i><b>Factors for withholding</b></i>	<i><b>Factors for disclosure</b></i>
<ul style="list-style-type: none"> <li>◆ Prejudice to the Council's and current contractor's commercial interests</li> <li>◆ Prejudice caused to the unsuccessful bidders</li> <li>◆ Prejudice to the Council's ability to tender</li> </ul>	<ul style="list-style-type: none"> <li>◆ Accountability of the Council for use of public funds and value for money</li> </ul>
<p><b><i>Reasons why public interest favours withholding information</i></b></p>	
<ul style="list-style-type: none"> <li>◆ The release of this data would likely cause prejudice to the Council's commercial interests and the ability to achieve best value for money during any future tender processes, as it contains information relating to risks/ decisions taken by the Council within the procurement process, which may be used for future contract negotiations.</li> <li>◆ The release of financial and performance data would likely cause prejudice to the current contractor's commercial interests and ability to operate effectively in the open market.</li> <li>◆ Provision of this commercially sensitive information to the public domain would likely cause prejudice to both the operation of the contract and the commercial capacity of the contractor to obtain future contracts.</li> <li>◆ The release of financial and technical information relating to the unsuccessful bidders would likely cause prejudice to their commercial interests.</li> <li>◆ While there is a factor in favour of disclosure, as the Council is required to be accountable for the use of public monies, this can be satisfied by the normal accounting and auditing processes.</li> <li>◆ It is therefore our view that the public interest in withholding this information outweighs the public interest in supplying it.</li> </ul>	

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### Abbreviations and Glossary

BMW	Biodegradable Municipal Waste
BVPI	Best Value Performance Indicator
DCLG	Department for Communities and Local Government
Defra's PFI Criteria	See Appendix 1
DPDs	Development Plan Documents
EoI	Expression of Interest
EU	European Union
HM Treasury's Value for Money Assessment Guidance	See <a href="http://www.hm-treasury.gov.uk/documents/public_private_partnerships/additional_guidance">http://www.hm-treasury.gov.uk/documents/public_private_partnerships/additional_guidance</a>
HHW	Household Waste
HWRC	Household Waste Recycling Centre
Indifference Points	The point at which two options offer equal value for money.
LATS	Landfill Allowance Trading Scheme
LAWDC	Local Authority Waste Disposal Company
M-BEAM	a LATS modelling instrument developed by Defra
MRF	Materials Recovery Facility
MSW	Municipal Solid Waste
MWMS	Municipal Waste Management Strategy
NPC	Net Present Cost
FBC	Final Business Case
OTF	Operational Taskforce
Optimism Bias	A systematic tendency to underestimate project costs.
Output Specification	Definition of Service Requirements included in PFI Contract
PFI	Private Finance Initiative
PRG	Project Review Group
PRG's Criteria	See Appendix B
Project Transition Guidance	OTF Note 2 for personnel involved in the transition from procurement to operation ( <a href="http://www.hm-treasury.gov.uk/media/2/3/pfi_projecttransition_210307.pdf">http://www.hm-treasury.gov.uk/media/2/3/pfi_projecttransition_210307.pdf</a> )
PSC	Public Sector Comparator
Reference Project	o/s
Shadow Bid Model	a model prepared at the FBC stage using the same principles a bidder will use to price its bid
SPV	Special Purpose Vehicle
TUPE	Transfer of Undertaking – Protection of Employment
UG	User Guidance
VfM	Value for Money
WCA	Waste Collection Authority
WDA	Waste Disposal Authority
WIDP	Waste Infrastructure Delivery Programme
WLP	Waste Local Plan

### 1 Executive Summary

This report sets out the Final Business Case for the procurement of West Berkshire Council's Integrated Waste Management Contract. The headline issues from the document are set out below:

#### Background

Following Unitary Authority status in 1998 West Berkshire Council became the Waste Collection Authority (WCA), Waste Disposal Authority (WDA) and Principal Litter Authority (PLA), functions previously held by the former Newbury District Council and Berkshire County Council. As part of these combined functions for waste collection, disposal and litter management the Council has an overarching responsibility for the long-term planning for the future waste service.

#### Single Bidder Procurement

**[INFORMATION WITHHELD]**. The Council subsequently submitted a Procurement Review to DEFRA setting out how it would manage this process on a single bidder procurement and maintain a value for money project whilst continuing the procurement. The Council has successfully completed the procurement to Preferred Bidder stage and are now close to award of Contract. The Council is confident that this project reflects value for money whilst delivering on the objectives originally set out in the OBC and meets the DEFRA conditions set on approval to continue with a single bidder.

#### Strategic Waste Management Objectives

Government strategies and policy guidance on sustainable waste management and specific legislation on landfill diversion led the Council to develop an approach towards the future management of its waste. West Berkshire Council's Municipal Waste Management Strategy was developed and implemented over a three year timeframe 1999-2002 and was adopted by the Council in 2002 as a 20 year strategic plan on how waste should be managed in the future. This strategy was underpinned by a number of Strategic Waste Management Policies which focused on Maximizing Recycling & Composting. In addition, the Council has worked hard over the past few years to increase current levels of recycling from approximately 9% to 22%.

#### Procurement Strategy

A fully integrated approach was adopted by the Council which would combine all of the services, contracts, performance, improvements and infrastructure needs into one integrated approach. It was considered that the most appropriate mechanism to implement the Waste Strategy would be for the Council to let a 25 year Integrated Waste Management Contract that combines all of the Council's needs. It was recognised that the financial implications of this would be significant. In 2002 the Council applied to the Department of the Environment, Food and Rural Affairs [DEFRA] for Private Finance Initiative credits. An Outline Business Case [OBC] was submitted in April 2002 and subsequently a total of £28.49 million of PFI credits were awarded to the Council.

Procurement of the Integrated Waste Management Contract formally commenced in March 2004 with the issue of the OJEU Notice and to date this has been a complex and lengthy process with good level and quality of market place competition. This

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resulted in Veolia Environmental Services being selected as Preferred Bidder in May 2007.

The technical solution within the contract will give the Council diversion from landfill of 79% including a guaranteed recycling level of approximately 49% and a forecast level of over 50% from 2013. Importantly, it will also meet Government LATS targets for the diversion of Biodegradable Municipal Waste from landfill. There is a mechanism in the Contract to encourage higher levels of recycling if it provides value for money.

A key area of the technical solution is the development of new waste facilities which consist of:

- Materials Recovery Facility (MRF) - (to separate mixed recyclables)
- In Vessel Composting Facility (IVCF) - (to compost garden and kitchen wastes)
- Waste Transfer Station – (WTS - to bulk and transfer waste)
- Municipal Depot – (to manage the vehicle fleet and operations)
- Administrative & Visitor Centre

The expected performance outcome from the PFI contract is consistent, and improves on the aims and objectives set out by the Council in the Outline Business Case.

The final position on the contract is outlined in this Final Business Case and matches well with the original aims of the Outline Business Case and Reference Project which was to achieve high levels of recycling, landfill diversion, LATS compliance and fit for purpose local infrastructure constructed and delivered on the Council's preferred site at Padworth Sidings.

### Risk Management, Risk Allocation and Contractual Structures

Comprehensive assessment and monitoring of risk within the project has been a key element of the procurement with systems and procedures in place to monitor the changing risk profile for the project.

The current position is that final negotiations are well advanced and the ongoing key commercial and contractual items have been satisfactorily resolved. There remains a number of key risks that are subject to further negotiations, although significant progress has already been made on all of these. The outstanding risks up to contract close are summarized below. The detail of each risks is provided within the main report.

- Architectural Enhancements / Satisfactory Planning provisions
- Padworth Sidings Site Costs
- In Vessel Composting Facility [IVC] – Due Diligence
- Construction sub contract
- Post contract signature:

Once the Contract has been awarded there are a number of residual risks that remain with the Council or are shared to some degree with the contractor. The detail of each risk is provided in more detail within the main report.

- Landfill Allowance Trading Scheme (LATS)
- Waste Volume Changes
- Number of Collections
- Retail Price Index (RPIx)
- Delay in Providing Padworth Sidings / Planning Approval
- Ecological Mitigation – Padworth Sidings
- Delay in Development Programme
- Compensation Events
- Change in Law
- Failure to Acquire Padworth Sidings

### Project Team Governance

Since the procurement commenced the Council has had in place an internal dedicated PFI Project Team which have been relatively consistent which is supported by external technical, legal, financial advisors alongside Transactor Support from WIDP and 4P's. The complex nature of the procurement and the many issues faced has resulted in the external costs of advisors being considerably higher than initially predicted. There has also been a level of turnover within the external advisors which has made for some loss of experience on the project and resource instability.

### Sites, Planning & Design

One of the conditions to the award of PFI credits was that the Council was required to mitigate the risks over sites and planning issues. A site package has been developed and implemented by the Council to support this project consisting of two main sites. One for the location of the main infrastructure and the other for a replacement Household Waste & Recycling Centre both of which significantly contribute towards delivering the overall high levels of recycling. The Council was keen to mitigate site risks and undertook a detailed site investigation which led to a preferred site being selected by the Council. Selecting a preferred site early on was seen as a positive step by the bidding contractors in tackling the risks around finding suitable sites and therefore maximizing the competitive interest from contractors as part of the overall procurement.

### Costs, Budget and Finance

A full affordability analysis has been undertaken as part of the development of the Outline Business Case to determine the affordability of the Reference Project to the Council. The conclusion of this analysis was that the Council would need to commit to the provision of significant additional resources for waste management if new sustainable solutions were to be delivered. Future funding has been committed in the Council's Medium Term Financial Strategy to ensure the additional resources are in place to fund the implementation of this new contract. The estimated project cost is marginally (just under 1%) above the existing level of available resources and will

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be accommodated within future budgets of the Council. Whilst there are still a number of price movements anticipated prior to contract signature we anticipate that the financial close price will be within the funds available for this project.

With the submission of this FBC the Council is requesting confirmation of its PFI credit allocation of £28.49 million, as detailed in the letter from DEFRA dated 2<sup>nd</sup> December 2004.

### Stakeholder Communications

Throughout the development of the Council's Integrated Waste Management Strategy and subsequent procurement process the Council has consulted and engaged with the community. This is to ensure that the public's views and aspirations for waste are appropriately reflected in the contract aims. Findings of these surveys indicate that the public fully support the Council's approach of maximizing recycling and composting and wish for more materials to be offered for recovery. This is also reflected in the Parish Plan process and also from the Annual Satisfaction Surveys. We are confident that the services offered under this new contract reflect accurately the wishes of the district and our wider stakeholders.

### Timetable

A timetable for the remaining stages of the procurement has previously been agreed with both DEFRA and Veolia Environmental Services for completion of the contract.

Key dates include:

Full Council approval for award of contract	21 <sup>st</sup> / 25 <sup>th</sup> January 2008 [TBC]
Signature of Contract	31 <sup>st</sup> January 2008
Commencement of initial services	1 <sup>st</sup> February 2008
Commencement of major services	1 <sup>st</sup> March 2008

Subject to the approval of the Final Business Case the above timetable leads to award of contract and commencement of services by the 1<sup>st</sup> February 2008.

## 2 Background

### 2.1 Introduction

West Berkshire Council has been procuring a fully integrated Waste Management PFI contract. On the 17 May 2007 Veolia Environmental Services (VES) were awarded the position of Preferred Bidder for this contract.

The purpose of this procurement was to procure a contract that would provide all the waste services required by West Berkshire Council. The Integrated Waste Management Service comprises the following core elements:

- Management of Contract Waste;
- development and operation of the Integrated Waste Management Facility (IWMF);
- collection of Clinical Waste, Residual Waste, Recyclables and Biowaste Materials;
- Street Cleansing and Litter Collection, including weed treatment;
- Bulky Household Waste Collection;
- operation and management of HWRCs and mini recycling centres;
- management of Abandoned and End of Life Vehicles;
- Education, Service Promotion and Waste Minimisation;
- provision of an Integrated Service Management System.

The Contractor will develop an Integrated Waste Management Facility (IWMF) in accordance with the terms of the Contract. The IWMF is proposed to be located at Padworth Sidings. It is projected that the facility will operate from August 2011.

The IWMF incorporates:

- A single line Materials Recovery Facility (MRF) with a facility for both automatic and manual sorting configured to load a baler. Plant capacity based on a double shift system is 13,500 tonnes per annum of source segregated dry recyclables;
- an ABPR compliant In Vessel Composting Facility (IVCF) based on enclosed units with an enclosed atmosphere controlled maturation hall with the capacity to process 32,000 tonnes per annum of green waste and kitchen waste;
- a Waste Transfer Station (WTS) with the capacity to handle 42,000 tonnes per annum of residual waste and 7,000 tonnes per annum of glass.;



- a split-level Household Waste Recycling Centre (HWRC), with a capacity to handle 7,000 tonnes per annum, to allow householders to dispose of a wide range of recyclable household waste;
- a Municipal Depot with vehicle maintenance workshop, fuelling and washing facilities;
- administration and Visitor Centre with welfare facilities for operatives, contract administration facility for office and contract management staff and the Education Centre;
- Weighbridge office and weighbridges;
- Ancillary infrastructure, facilities and utilities necessary to support the functionality of the above.

In addition the Contractor will also utilise third party Energy Recovery Facilities to divert 25,000 tonnes per annum of Contract Waste. This diversion will be phased in. In 2009/10 7,056 tonnes will be diverted. In 2010/11 10,000 tonnes will be diverted. From 2011/12 25,000 tonnes per annum will be diverted to EFW.

This project strongly reflects the reference project held within the OBC.

### **2.2 Details of Key Characteristics of Area and Procuring Authority**

West Berkshire accounts for 56% of the County of Berkshire, encompassing 70,484 hectares (272 square miles) and borders the counties of Oxfordshire, Wiltshire and Hampshire with Reading Borough Council and Wokingham District Council to the east. 74% of the district lies within the North Wessex Downs Area of Outstanding Natural Beauty.

The main centres of population are in Hungerford to the west, Newbury and Thatcham in the centre, and Tilehurst and Theale to the east. The district is predominantly rural with the population split approximately 2:1 between urban and rural.

The geography and tiers of government have not changed since the OBC submission.

The OBC predictions on population and housing were based upon 'Planning Commitments for Housing at March 1999, September 1999. An update has been undertaken using the 2001 census. The 2001 census stated that West Berkshire had a population of 144,483 and included 59,583 domestic properties. Predictions are that West Berkshire's population will increase to 155,587 by 2016, with the greatest growth being in the Newbury and Thatcham areas (9.6%). This information was provided to bidders from the beginning of the procurement process. Pressures are however being placed on the Authority by the emerging South East Plan which could result in higher than predicted growth rate.

As reported within the OBC, West Berkshire Council remains a Unitary Authority. Since becoming a Unitary Authority in 1998 the Council has recognised the need to plan for the future and to develop a long-term vision for waste management that is built on strong sustainable principles. Since the adoption of the MWMS, Waste Management has become a strong corporate development theme for the Authority.

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The Council is committed to the modernisation of the services provided to residents and the successful implementation of the Council's long term waste management strategy is central to this corporate vision.

### 2.3 Analysis of Waste Arising

Table 2.1 below shows waste arisings over the last five years. The OBC predicted that waste arisings would increase by 2% per year until 2005. However, data in Table 2.1 does not provide a significant trend.

Table 2.2 shows forecasted waste arisings over the Contract Term. It can be seen that the percentage change in waste arisings reduces once the contract commences. The waste growth profile was provided by the Council during the ITN stage, with reduction in waste arisings attributed to the fundamental element of the contract being heavy commitment towards waste minimisation with the aim of slowing the rate of household waste growth. VES has adhered to the Council's waste growth profile.

**Table 2.1 Past Waste Arisings in West Berkshire**

Year	WCA Household Collected Waste	WCA Collected Trade Waste	HWRC Collected Household Waste	Other MSW (street sweepings)	Total MSW Arising	% change
	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes	%
2002/03					81,210	
2003/04					77,520	- 4.76%
2004/05					80,800	+ 4.23%
2005/06	58,336	1,191.43	22,525.23	672.9	82724.71	+ 2.38%
2006/07	58,901	1,192.27	24,443.87	1844.65	86383.37	+ 4.42%

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**Table 2.2 Project Waste Arisings**

Year	WCA Household Collected Waste (including EFF)	WCA Collected Trade Waste (non contract waste)	HWRC Collected Household Waste (including recycling banks)	Other MSW (street sweepings)	Other MSW (parks waste and non contract HWRC waste)	Total MSW Arising (including non contract waste)	% change (Total MSW)
	Tonnes	Tonnes	Tonnes	Tonnes		Tonnes	%
2007/08						85,513	
2008/09	60,445	600	21,360	2485	1970	86,725	1.42%
2009/10	61,302	600	21,570	2520	1970	87,962	1.42%
2010/11	61,955	600	21,805	2547	1970	88,907	1.07%
2011/12	62,620	600	22,043	2574	1970	89,867	1.08%
2012/13	63,279	600	22,301	2602	1970	90,842	1.08%
2013/14	63,719	600	22,480	2621	1970	91,501	0.72%
2014/15	64,164	600	22,660	2640	1970	92,167	0.73%
2015/16	64,616	600	22,841	2659	1970	92,839	0.73%
2016/17	65,074	600	23,023	2678	1970	93,519	0.73%
2017/18	65,298	600	23,121	2688	1970	93,862	0.37%
2018/19	65,528	600	23,220	2698	1970	94,207	0.37%
2019/20	65,517	600	23,231	2698	1970	94,207	0%
2020/21	65,507	600	23,242	2698	1970	94,207	0%
2021/22	65,497	600	23,252	2698	1970	94,207	0%
2022/23	65,487	600	23,261	2698	1970	94,207	0%
2023/24	65,478	600	23,270	2698	1970	94,207	0%
2024/25	65,469	600	23,279	2698	1970	94,207	0%
2025/26	65,461	600	23,287	2698	1970	94,207	0%
2026/27	65,453	600	23,295	2698	1970	94,207	0%
2027/28	65,446	600	23,302	2698	1970	94,207	0%
2028/29	65,439	600	23,309	2698	1970	94,207	0%
2029/30	65,432	600	23,316	2698	1970	94,207	0%
2030/31	65,426	600	23,322	2698	1970	94,207	0%
2031/32	65,420	600	23,328	2698	1970	94,207	0%

### 2.4 Details of Current Arrangements for Collection and Disposal

As the Contract is an integrated waste management contract all the current waste management services will be phased into the new Contract.

Current collection arrangements for residual waste have not significantly changed since the submission of the OBC. Domestic refuse is still collected weekly from properties in wheeled bins (120,240,360 litre), provided by the Council. Some 2000 dwellings (flats, isolated properties, and accommodation for the elderly) are provided with plastic sacks. At the time of the OBC the contractor for refuse collection was Biffa Waste Ltd, and it continues to be so. The most up to date contract was retendered and signed in September 2006 and WBC are using a contract extension which is to finish at the end of February 2008. Extensions are possible until September 2010 to provide contractual flexibility to dovetail into the new contract. The contract also includes street cleansing and litter collection.

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Kerbside recycling collection arrangements have not significantly changed since the submission of the OBC. The scheme is voluntary and covers the whole of West Berkshire. Recyclable material is collected on a fortnightly basis from two boxes, one for glass, cans and textiles and one for paper and magazines. The current contract is operated by Biffa Waste Services and allows for extension up to September 2008, with the current extension running until February 2008.

Since the 1<sup>st</sup> of January 2005 all residual household waste is disposed of at Sutton Courtenay landfill in South Oxfordshire and will continue to be used until 2009. From July 2009 VES will be disposing of residual waste at Springfield Landfill, Buckinghamshire. This facility is owned by VES.

Other contracts that will be phased out are:

Current Service Contract	Term	End	Takeover
Pinchington Lane CA Site (Biffa)	September 2008	September 2008	Pinchington Lane will be closed in September 2008. A new HWRC will be opened in Newtown Road for which VES will undertake operation
Paices Hill Green Waste Service (Joint working arrangement with adjacent Local Council)	31 March 2006	Extendable by agreement	This arrangement will continue until the site is closed on the opening of the Integrated Waste Management Facility.
Paices Hill Green Waste and Recycling Centre Management (W&S Recycling)	April 2006	2 extensions of up to 1 year each	VES will subcontract the existing contractor to facilitate takeover. This contract will start from 1 February 2008.
Refuse Collection, Street Cleansing and Litter Collection	February 2008		This contract can be extended until September 2008. This contract will start on 1 March 2008.
Fridges and Freezers (Weymouth and Sherbourne Recycling)	September 2005	September 2007	Transferred to WEEE compliance scheme
Textiles – CA Site, Paices Hill and Bring Centre (The Clothing Warehouse)	31 March 2005	Extended by agreement	VES will subcontract the existing contractor to facilitate takeover. This contract will start from 1 February 2008
Green Waste Composting (Sheepdrove Organic Farm)	September 2004	Trial scheme segregation of Green Waste from Pinchington lane HWRC.	VES will be collecting green waste from Pinchington Lane HWRC for composting at Little Bushey Warren, Hampshire until the development of the IVC. This contract will start from 1 March 2008
Abandoned Vehicles (Rawlings)	31 March 2004	Extended by agreement.	VES will be using a new sub contractor from 1 March 2008. The sub contractors will be: R & G (Hants) Limited 7 Highworth Cottages Stokes Lane Baughurst Tadley Hampshire, RG26 5JP

If the Contract is late in closing (after 1 February ) the Council will be able to extend the Biffa contracts of residual waste collection and recyclables collection and the street cleansing and litter picking. All of the other contracts are extendable by agreement or of sufficient length (such as disposal) to not pose a threat to service delivery.

## **2.5 Performance of Existing Services**

### **2.5.1 Recycling & Composting Performance**

Table 2.3 below shows recent annual recycling performance against BVPI targets.

**Table 2.3 West Berkshire Recycling and Composting Performance**

<b>Year</b>	<b>Recycling</b>	<b>Recycling (BVPI)</b>	<b>Composting</b>	<b>Composting (BVPI)</b>	<b>Total Composting and Recycling %</b>
	Tonnage	% of HHW	Tonnage	% of HHW	
2002/03	8,745	10.8 %	1,489	1.84%	12.64
2003/04	9,865	12.72%	3,351	4.32%	17.04
2004/05	10,445	12.98%	4,232	5.23%	18.21
2005/06	11,640.5	14.39%	4,356	5.39%	19.78
2006/07	13,299.7	15.89%	5,217	6.23%	22.12

Recycling and composting performance has continually improved since 2002/03. A new curtilage Recycling Collection scheme, collecting paper, glass containers, cans and textiles was introduced in September 2003 which has helped to drive the recycling performance.

At the current time increased recycling and composting performance is being encouraged through waste education initiatives and the maintenance of current facilities in line with the Council's aim of maximising recycling and composting under the MWMS. Whilst awaiting Contract sign no new facilities have been created. The main driver behind the new Contract is the Council's Integrated Waste Management Strategy which was to increase recycling and composting'. Recycling performance is to be improved through the integrated PFI contract through the curtilage collection of plastics and cardboard from 1 March 2008. Composting is to be increased through a kerbside green waste collection service. The green waste collection service will commence on 1 June 2008. Green waste will be collected from the kerbside on a fortnightly basis. From the commencement of the operation of the IVC facility kitchen waste will also be collected from the kerbside.

### **2.5.2 Residual Waste Treatment**

Table 2.4 below summarises recent performance in relation to the tonnage of MSW thermally treated, the tonnage of MSW landfilled, overall diversion rates and tonnage of landfilled waste and performance in relation to allocated landfill allowances. It can be seen that diversion of MSW has increased primarily due to the increase in recycling and composting.

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**Table 2.4 West Berkshire Residual Waste Treatment**

Year	Total MSW Arising	Recycling & Composting	Thermal Treatment	MSW Landfilled	MSW Diversion <sup>1</sup>
	Tonnage	Tonnage	Tonnage	Tonnage	%
2002/03	81,210	10,235	0	72,332	12.6 %
2003/04	77,520	13,216	12.03	65,435	17.1 %
2004/05	80,800	14,677	29.14	67,179	18.2 %
2005/06	82,725	15,996	40.7	66,098	19.4 %
2006/07	86,384	18,448	59.01	66,111	21.4 %

Table 2.5 provides a summary of BMW treatment

**Table 2.5 West Berkshire BMW treatment**

Year	Total BMW Arising	BMW Landfilled	LATS Allowance	Surplus/ (Deficit)
	Tonnage	Tonnage	Tonnage	Tonnage
2002/03				
2003/04	53,601	45,099	n/a	n/a
2004/05	55,937	46,214	n/a	n/a
2005/06	56,252.8	45,621	49,585	3,964
2006/07	58,740.7	45,983	50,686	4,703

### 2.6 Waste Composition

A household waste composition study was undertaken by WBC in February 2002, and it was these results that were included within WBC's OBC submission. The results are shown within table 2.7.

The Council undertook a further waste composition study in 2004/ 2005. Similarly to the 2002 study this was undertaken solely on residual waste that is collected from the kerbside in sacks and wheeled bins. The results from this can be seen in Table 2.6, where it is compared with the National assumption. Table 2.7 provides a comparison between the 2002 and 2004/05 results.

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<sup>1</sup> MSW Diversion = MSW not landfilled/MSW Arisings

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**Table 2.6 WBC Waste Composition 2004/05 in Comparison to the National Assumption**

Waste Stream	National Assumption <sup>2</sup>	Authority Assumption	Difference
	%	%	%
Garden Waste and Kitchen Waste	37	29	- 8
Paper and Board	18	17	- 1
Kitchen Waste	n/a	n/a	
General Household Sweepings	9	9	0
Glass	7	5	-2
Wood	5	5*	0
Scrap Metal/White Goods	5	0	- 5
Dense Plastic	4	9	+ 5
Plastic Film	4	7	+ 3
Textiles	3	6	+ 3
Metal Packaging	3	6	+ 3
Nappies	2	2*	unknown
Soil / building waste	3	3**	- 2
<b>Miscellaneous Combustibles</b>	<b>7</b>		
<b>Miscellaneous Non Combustibles</b>	<b>2</b>		
<b>Total</b>	<b>100</b>		<b>-</b>

- The WBC results had a total of 7% for miscellaneous combustibles. This has been divided between wood and nappies using the national assumption
- \*\* The WBC results had a total of 1% for building waste and 2% for miscellaneous non combustibles. This result has been grouped together under soil / building waste

The categories used for the waste streams are not directly comparable between the National Assumption and the Authority Assumption, therefore some amendments have been made to the table. However, it can be seen that there are significant differences between the national assumption and WBC results for kitchen and garden waste. It could be assumed that because West Berkshire District is two thirds rural that a larger amount of home composting is undertaken than is done so nationally. It is thought that there are more plastics in the residual waste stream than in the national assumption because there is no kerbside collection for plastic and only five collection points. Similarly for textiles the service is not well promoted within the kerbside collection of recyclables.

Table 2.7 below compares the results from the waste composition study in 2002 and 2004/05.

<sup>2</sup> "Analysis of household waste composition and factors driving waste increases", J. Parfitt (on behalf of WRAP), 2000/01.

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**Table 2.7 Comparison of 2002 and 2004/05 Waste Composition Analysis**

<b>Waste Stream</b>	<b>WBC 2002</b>	<b>WBC 2004/05</b>	<b>Difference</b>
	%	%	%
Paper and Card	30.1	17	-13.1
Plastic Film	5.2	7	1.8
Dense Plastic	6.5	9	2.5
Textiles	4.3	6	1.7
Miscellaneous Combustibles	8.7	7	-1.7
Miscellaneous Non – Combustibles (to include building waste)	2.2	3	0.8
Glass	4.2	5	0.8
Putrescibles	25.7	29	3.3
Ferrous Metal	5	4	-1
Non Ferrous Metal	1.2	2	0.8
Fines	6.9	9	2.1
<b>Total</b>	<b>100</b>		<b>-</b>

As can be seen in Table 2.7, there have been some changes in West Berkshire's waste composition between the two studies. The most substantial difference can be seen with the reduction of 'paper and card'. It can be assumed that there has been targeted promotion of the recyclables collection scheme which has encouraged the diversion from the residual waste stream. This is consistent with the Council drive to improve recycling, which was consolidated by the Council's appointment of a team of three recycling officers dedicated to 'maximising composting and recycling'.





### **3 Strategic Waste Management Objectives**

#### **3.1 Introduction**

Since the adoption of the Waste Strategy, Waste Management has become a strong corporate development theme for the Authority. The Council is committed to the modernisation of the services provided to residents; and the successful implementation of the Council's long term waste management strategy is central to this corporate vision.

The Council has also adopted policies on 'Cleaner Greener' in its latest Council Plan with Waste Management being one of the key areas of improvement.

The Council faced six main drivers, which encouraged the review of the Council's waste management systems. These drivers were:

1. National and local standards for recycling
2. National standards for the recovery of value from waste
3. The Landfill Directive
4. Rises in the rate of landfill tax
5. Government policy on waste minimisation
6. Long standing corporate commitment towards 'improving environmental resource management'.

In recognition of these drivers, and the local Strategic Waste Management Objectives, West Berkshire's MWMS (2002 – 2022) was developed and a preferred solution for the management of waste was selected. The preferred solution was built upon sustainability principles of minimising waste and maximising composting and recycling.

The Strategy also identified that integrating services would deliver increased efficiency, service improvements and Best Value. Currently there are sixteen separate contracts for all of the waste services.

On 25<sup>th</sup> October 2001 the Executive supported both the preferred waste management solution to maximise recycling and composting, and recommendation of an integrated waste management contract. Feedback from a public information leaflet in May 2002 endorsed this Member decision.

The Waste Strategy supports a number of West Berkshire Council's Strategic Priorities and the aims of the Community Plan for sustainable development and the protection of the environment.

In addition, the Council's 5-Year Corporate Plan (2003-08), which is directly linked to the Council's Medium Term Financial Strategy, aims to deliver a cost-effective and sustainable modernisation of the services the Council provides. The Council's long-term waste management strategy is central to that aim.

The Council has recently adopted the Council Plan 2007. This focuses heavily on 'Cleaner Greener' themes with sustainable waste management being one of the Council's leading priorities alongside the issue of tackling climate change. West Berkshire sees waste management as being central to this modernisation agenda.

### 3.2 Municipal Waste Management Strategy (MWMS)

West Berkshire Council adopted a Municipal Waste Management Strategy (MWMS) in September 2002. This Strategy was developed further to an initial waste management strategy dated January 2001 and the Government's guidance on municipal waste management strategies in March 2001. The MWMS was included within the OBC submission.

The purpose of the Strategy was to:

- Set out the Council's objectives and standards for the management of municipal waste in the district;
- include policies and plans on how these objectives and standards will be achieved;
- provide a framework for evaluating progress;
- communicate these plans to Government, key stakeholders, partners and the wider community;
- incorporate the statutory Recycling Plan which Waste Collection Authorities are required to prepare;
- address how the Council will meet its tradeable permit allocation for the landfill of biodegradable municipal waste.

The Strategy aimed firstly, to maximise composting and recycling whilst diverting waste from landfill, and secondly, to put in place a much needed local waste infrastructure to meet the future needs of the District.

The Council's MWMS was based upon West Berkshire's Strategic Waste Management Policies and Objectives which emphasise waste education and awareness, stakeholder consultation, waste minimisation and reuse and recycling and composting. The Strategy contains twenty policies and objectives that are contained in Appendix 4.

The main drivers for the Strategy were:

1. National and local standards for recycling
2. National standards for the recovery of value from waste
3. The Landfill Directive
4. Rises in the rate of landfill tax
5. Government policy on waste minimisation
6. Long standing corporate commitment towards 'improving environmental resource management'.

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Local Drivers for the Strategy were intrinsically linked with national and European drivers, with the financial implications of these drivers being of prime importance. These drivers are further detailed below.

One of the most notable European pressures was the Landfill Directive (Council Directive 1999/31/EC on the Landfill of Waste) which was agreed in Europe in 1999 and transposed into UK law. The Directive set ambitious targets for the reduction of biodegradable municipal waste (BMW) that is disposed of to landfill, from this UK national diversion targets were generated. Other key European legislation which was assessed to specifically affect waste management in West Berkshire at the time or in the near future included:

- EU Directive on Waste 75/442/EEC (amended 91/156/EEC and 91/692/EEC), Articles 3, 4 & 5. This requires there to be regard to the need to minimise waste, encourage recycling and waste recovery;
- Producer Responsibility Directives;
- proposed WEEE Directive;
- proposed Battery Directive;
- The End of Life Vehicles Directive 2000/53/EC which in part requires that end of life vehicles can only be treated by authorised dismantlers or shredders who must meet tightened environmental standards;
- Regulation (EC) No 2037/2000 of the European Parliament and of the Council of 29 June 2000 on substances that deplete the ozone layer. This requires that CFCs in the coolant and in the foam in fridges and freezers is either recycled or treated by approved environmentally acceptable destruction technology;
- The Hazardous Waste List (94/904/EC) incorporated within the European Waste Catalogue.

Nationally the main driver came from the National Waste Strategy for England and Wales (May 2000). Local authorities were required to consider BPEO (Best Practicable Environmental Option) with reference to the framework provided by the waste hierarchy and the proximity principle when making strategic waste management decisions. The national waste strategy sets a series of targets for recycling and composting and recovery for 2005, 2010, and 2015. It was known that individual targets for Local Authorities would be set to allow achievement of the national targets. West Berkshire Council therefore realised the importance of improving performance of composting and recycling to align with national targets and diversions. Other legislation that was known would affect waste management in West Berkshire, if green waste was to be kerbside collected was the Animal By Products Order.

Financially the cost of landfill disposal was a predominant driver of the MWMS. At the time it was assumed that the rate of the tax will continue to increase and that rises may be substantial if the tax is to be harmonised to reach average European levels of £35/tonne. As West Berkshire's waste was predominantly being sent to landfill this posed great financial risk. Further pressure on increasing landfill tax will drive up the cost of traditional landfilling.

### 3.3 Public Consultation

There have been two public consultation exercises. The first was undertaken with the development of the MWMS, the second in October 2006.

In developing the Council's Waste Management Strategy the authority has consulted and engaged with local stakeholders and the community to ensure that the overarching aims and objectives of the Council are aligned with the public's own views, aspirations and priorities. Ensuring that this link is in place is carried out and monitored on two main levels which involve measuring and interpreting public satisfaction over how the Council operates and also more specifically the views that the community have in terms of waste management and the provision of municipal services. Both of these elements are key to constructing an appropriate waste management strategy that meets the needs of the Council and its drivers along with the needs of the district. These two areas are discussed in more detail in 3.3.1 and 3.3.2.

#### 3.3.1. Public Satisfaction

It is a Council priority to engage and measure satisfaction among the West Berkshire community. The Council undertakes a Public Satisfaction Survey each year in order to provide up-to-date data on satisfaction levels that are integrated into policy objectives, service plans and performance targets in order to drive improvement. It is important that the Council makes decisions based upon information provided by engagement with local citizens – upon their views, needs and preferences. By undertaking the Survey each year the Council can ensure that it continually reviews its progress and ensures that it is able to reassess plans and respond effectively to the needs of local communities. This will also contribute to improving value for money.

In terms of waste management the following figures outline satisfaction on certain waste management services.

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Figure 1 Satisfaction with Household Waste Collection

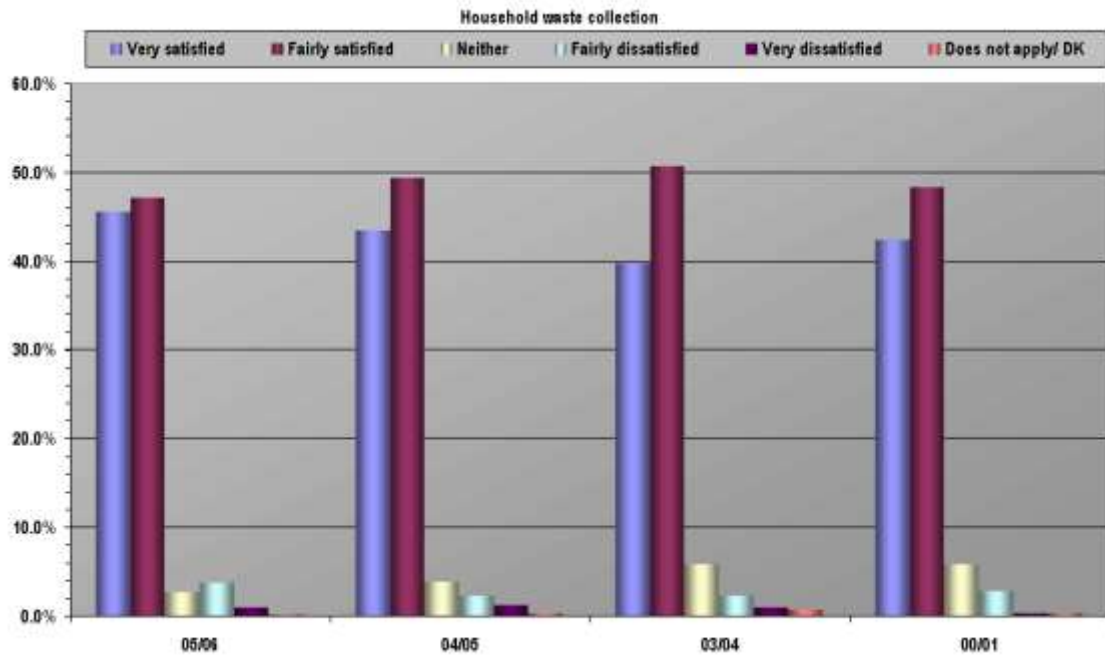
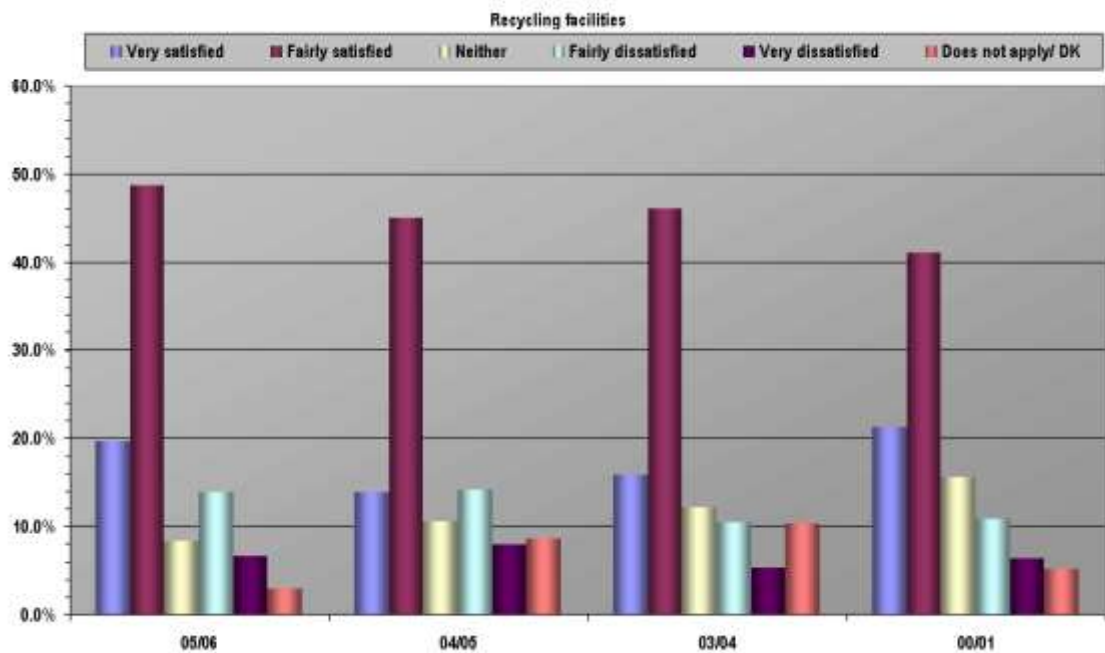


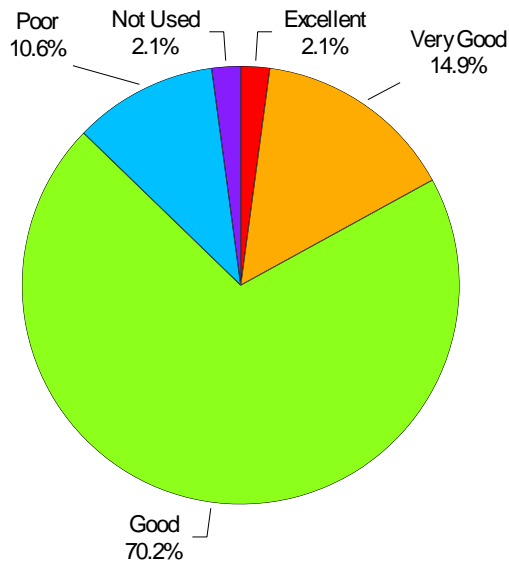
Figure 2 Satisfaction with Recycling Facilities



The figures indicate a high proportion of the public are satisfied with the day to day waste collection arrangements with over 90% of residents either very satisfied or fairly satisfied, however in the areas of satisfaction with recycling the Council has performed not quite so well.

At a more local level the Council engages with local communities at a parish level to inform how the Council develops its priorities. The latest set of figures for parish satisfaction are outlined in figure 3 below.

Figure 3 Parish Satisfaction with Waste Collection and Disposal



During the early years of development of the Council's Waste Management Strategy public satisfaction data provided a clear message on forming public priorities. There was a perception that the Council's front line waste management services of refuse collection and street cleansing were performing well with good satisfaction levels being recorded both across the district but also at a local level. A message was however forming that the Council needed to do more on recycling to align itself with public opinion. In support of this there also appeared a changing opinion of the residents around environmental issues and effective recycling services were at the forefront of local opinion.

### 3.3.2 Public Communication & Engagement on Waste Issues

Specific consultation on waste has been carried out twice by the Council. Firstly in 2001 to seek public opinion on the current waste management position and the options that were being considered for the future management of waste within the district. And secondly in 2006 to gain a measure of changing opinions and perceptions and also to determine that the Council's adopted Municipal Waste Management Strategy [2002 – 2020] was still relevant. The results of these consultation are outlined below.

#### Consultation – 2001 – Headline Findings

- 92% currently recycle
- 80% of residents want to recycle more
- 79% of residents used the kerbside service
- 64% wanted more materials collected at the kerbside

#### Consultation – 2006

In October 2006 a public consultation survey was undertaken to establish resident's attitudes and perceptions of recycling and test some of the principles inherent in West Berkshire Council's Waste Management Strategy. A questionnaire was sent to

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a random sample of 3,858 people (collated from the electoral register) across the district, and a response rate of 67% was achieved. The analysis was weighted using a grossing cross-sectional weight derived from the 2001 Census to match the achieved sample against the population's known profile according to age and gender.

The report is included within Appendix 5, but with relevance to the MWMS and the project presented in the FBC the summarised results below are of particular pertinence.

Summarised Results	Effect on Project
Nearly three quarters say that they 'recycle everything' or 'a lot', and more than half of residents say they are willing – and do – recycle despite any additional effort required.	This results shows the willingness of the public for further achievement of recyclables recovery if further schemes are put in place. With the new contract cardboard and plastic will be collected at the kerbside.
600 people raised extending the range of materials collected from their homes as a key, significant improvement to the service.	This results provides scope for further achievement of recyclables recovery if further schemes are put in place. With the new Contract cardboard and plastic will be collected at the kerbside.
The recycling calendar distributed in the summer 2006 was a successful initiative – consulted by half of residents. Further awareness raising would be beneficial, reinforcing what will be collected and when and where non collectables can be taken.	The project includes waste education programmes, including the on going production of the calendar. There will be a waste education centre and website that will inform the public further about the recycling service.
Residents in Newbury / Thatcham are much more likely to recycle materials which are not included as part of the kerbside collection scheme (i.e. plastics and cardboard), suggesting that promotion could also be targeted in the more rural areas and in particular in the Reading suburbs.	With the new Contract cardboard and plastic will be collected at the kerbside which will enable the whole district to recycle these materials. It can also be considered that Newbury and Thatcham residents recycle more as they are nearest to Pinchington Lane HWRC. Within the new contract there will be an HWRC in Newbury, but in addition there will be a recycling and green waste collection site at the integrated waste management facility in Padworth, which is to the east of the district and nearer to the Reading suburbs.
43% of households in West Berkshire do some form of home composting.	Kerbside collection of green waste provides scope to collect more green waste from those that do not home compost. Home composters will continue to be promoted within the Service for the purpose of waste minimisation
There was almost universal support for some of the key principles set out in the MWMS – emphasis on diverting waste from landfill, encouraging households to recycle more and the key role residents play in waste minimisation.	This provides support for the MWMS and the Project.



### 3.4 Waste Minimisation

The Authority's policies outlined within the MWMS for waste minimisation and reuse are SWMP 4, 5, 6, 7 & 8, as outlined in Appendix 4.

The MWMS outlined implementation plans for meeting targets in three stages – the short term (to 2003/04), the short to medium term (to 2005/06), and in the medium term (beyond 2005/06). At the point of writing the MWMS it was hoped that the Integrated Waste Management Contract would have been let in 2006. Within the short to medium term the actions to be achieved were:

#### Waste Awareness Campaigning

- Continued promotion of subsidised home composters for householders;
- a trial green waste segregation facility at Pinchington Lane HWRC (funded through the DEFFRA Waste Minimisation and Recycling Fund);
- Real Nappy promotion;
- Re>Paint Promotion;
- running of the annual Waste Awareness Day;
- development of the WBC waste web page (Recycling Directory);
- Waste Awareness Talks to schools and groups;
- development and use of a Kerbside Recycling Scheme Information Leaflet;
- development of WBC's Waste Identity using the Rethink Rubbish brand;
- submission of waste minimisation and recycling articles within the Council magazine;
- promotion of the kerbside collection scheme.

#### Fund Raising

- Fund raising (applications to the £14 million Waste Minimisation and Recycling Fund, Landfill Tax Credits, New Opportunities Fund).

#### Recycling Schemes

- Maintenance of bring bank recycling facilities;
- maintenance of Civic Amenity Site & Green Waste and Recycling Centre;
- continuation of the Kerbside Recycling Scheme;
- review of markets for cardboard and review of viability of collection;
- review of markets for plastics, cans and aluminium foil and viability of collecting these materials by providing more bring banks;
- review potential in house recycling.

#### Improvement of Bring and Collection Services

- Recruitment of a Waste Minimisation and Recycling Officer;
- examination of the opportunities for improving the recyclable collection scheme from blocks of flats;
- improving the performance of the kerbside recycling scheme;
- review the appearance and facilities at the bring sites and consider implementing changes;
- review materials collected as part of the kerbside collection scheme and the receptacles used;
- review Paices Hill opening Times;

- investigate organic waste kerbside collection.

### General Waste Management

- PFI funding Application;
- short Term Contract Procurement;
- long Term Contract Procurement;
- technology Development;
- management of Municipal Waste Management Strategy.

### Current Initiatives

Many of the actions identified within the short to medium term have been continued within the current initiatives, with the inclusion of some additional actions, as outlined below. Achievements and on going activities and plans have been outlined. Central to current initiatives is the development of the new integrated contract to the benefit of the waste minimisation and recycling service.

### Waste Awareness Campaigning

- Home Composting Campaign;
- Real Nappy Campaign;
- Waste Awareness Day – Rubbish Revolution;
- West Berkshire Recycling Directory;
- Waste Awareness Talks;
- Kerbside Recycling Scheme – Information Leaflet;
- West Berkshire's Waste Identity - Rethink Rubbish;
- Council magazine articles on waste issues;
- promotion of the kerbside collection scheme.

### Recycling Schemes

- Bring Bank Recycling - Extra materials have been added to several site including cans and plastics mixed, cardboard, mixed media and shoes;
- maintenance of Civic Amenity Site & Green Waste and Recycling Centre;
- maintenance of Kerbside Recycling Scheme;
- three cardboard banks have been placed at Sainsbury's Calcot in the recycling centre;
- can and plastic banks have been placed at three extra sites;
- in-house recycling - all council offices are having paper, cardboard and shiny paper collected and recycled but this has been organised by the internal department property/facilities.

### Improvement of Bring and Collection Services

- Recruitment of three waste minimisation and recycling officers;
- collection of recyclables from blocks of flats worked into the new integrated contract;
- improvement of the kerbside collection scheme, including receptacles, worked into the new integrated contract;
- The Council are reviewing the appearance and facilities at West Berkshire's bring sites, and will investigate the costs of improvements;
- working of organic waste collection into the new integrated contract.

### **Future Initiatives**

West Berkshire Council will be retaining three recycling officers and a recycling manager. The approach to composting, recycling and waste minimisation during the Contract Term is joint working. VES will initiate and drive the initiatives with the Council providing 'on the ground support'. This approach has been undertaken to take advantage of VES's experience and resources as well as the Council's local knowledge.

### **Planned Initiatives within the Project**

The Contractor will use a diverse approach to waste minimisation, working with organisations in the public and private sectors and will structure waste minimisation work in West Berkshire under four main headings:

- Public awareness
- Media coverage
- Community liaison
- Developing best practice

The Contractor will produce a three year plan in accordance with the Specification, which will be updated every 12 months and reviewed by the Council in accordance with the Review Procedure set out in the Contract. To support waste minimisation initiatives the Contractor will provide an annual fund of which will be allocated and spent on Waste minimisation activities in accordance with the Review Procedure.

### **3.5 Recycling and Composting**

The Authority's policies outlined within the MWMS for waste minimisation and reuse are SWMP 9, 10, 11 as outlined in Appendix 4.

Within the MWMS, action was outlined in three stages:

#### **In the short term (to 2003/04)**

In order to meet the 2003/04 recycling target the Council in partnership with its waste management contractor looked to improve the participation rate of householders using the existing kerbside collection scheme for dry recyclables. A new education and publicity programme was launched, and non-participating residents, particularly those in new areas, lapsed recyclers, and those in multiple occupancy properties were to be specifically targeted. Facilities for recycling and composting at Pinchington Lane and Paices Hill were heavily publicised in order to maximise the recycling rates achieved at the sites. West Berkshire District Council also continued to develop additional waste minimisation initiatives to supplement the existing schemes.

In order to demonstrate it's commitment to waste minimisation and recycling the Council also created a new post within Waste Services for a Recycling and Waste Minimisation Officer whose role it is be to promote and develop new initiatives in order to meet the forthcoming targets.

### **In the short to medium term (to 2005/06)**

The Council decided to submit an application to the Government for PFI funding for an integrated contract, with the purpose of maximising composting and recycling to commence from 2004/05.

In order to meet the 2005/06 recycling targets the Council aimed to have boosted public participation in the kerbside recycling to approximately 70%, implemented schemes for the collection and composting of organic wastes, and incorporated the management and recycling of school waste within the integrated contract.

A Waste Minimisation and Recycling Plan was submitted within the MWMS specifically aimed at the 'short to medium term'. This Plan is outlined below:

*In the short to medium term, West Berkshire Council will focus on the following issues in order to increase the district's recycling rate:*

- *Waste awareness campaigning;*
- *Fund raising for waste awareness, recycling and minimisation projects;*
- *Maintenance and initiation of recycling schemes; and*
- *Improvement of bring and collection services.*

*In 2003 / 04 the Council will concentrate on giving a common branding to all West Berkshire waste management services including waste minimisation and recycling. This will help residents to link waste information that they receive from various campaigns and services. To take advantage of the nationwide campaign Rethink Rubbish, the logo will be adapted for West Berkshire.*

*The majority of the waste awareness campaigns that will be initiated by West Berkshire in this period are ongoing campaigns that have been run in the past with great success. The home composting promotion, which is heightened during National Composting Week, has two main purposes. Firstly, to encourage people who have recently taken up composting to continue. Secondly, to encourage people that do not home compost to do so. Feedback from West Berkshire's recent Waste Information Leaflet questionnaire indicated that at least 49% of people do not currently compost.*

*The Real Nappy Week and Re>Paint scheme are national schemes with a local focus. West Berkshire Council is involved in helping to promote these schemes through leaflet distribution and displays. The 'Rubbish Revolution' Waste Awareness Day is a local event that provides residents, through a manned exhibition, with information about recycling, waste minimisation and composting.*

*An area of priority within the short to medium term is to improve waste awareness within West Berkshire and inform householders about what waste can be recycled and where facilities are located. The Council will achieve this by developing a web based recycling directory, a leaflet informing on the kerbside collection scheme, talks, and press releases.*

*Regular educational talks to groups and schools on waste issues will be undertaken. It is of great importance to teach children about what happens to waste, what the cost and environmental issues of waste are, and how they can minimise and recycle their waste. There is also the indirect benefit of the children's parents becoming more aware of waste due to the messages that the children take home.*

*There will be a review of the recycling facilities provided by West Berkshire and the materials that are collected; which will apply to the bring sites and the kerbside collection scheme. The review will be based upon public consultation feedback, market values for recyclables and the availability of facilities such as depots and MRFs that can make the collection of recyclable materials more viable.*

*In 2002/03, West Berkshire Council will launch a trial green waste segregation scheme at Pinchington Lane Civic Amenity Site. Funding for this pilot was secured from the Government's '£140 million Waste Minimisation and Recycling Fund'.*

*Approximately 20% of all waste deposited at the site is green garden waste, and to date there has been no green waste segregation available. The aim of the trial is to divert green garden waste from landfill and increase West Berkshire's recycling rate. To encourage the use of this facility, the Council will launch an extensive promotion involving press releases and exhibitions. At the site itself there will be prominent signage encouraging visitors to segregate their green waste and use the facility provided. The success of this pilot scheme will be assessed in April 2003 to determine whether the facility should be made permanent.*

*With regard to improving the kerbside collection service, the Council's Waste Minimisation and Recycling Officer will investigate the viability of collecting recyclables from blocks of flats by researching national schemes. A feasibility report will be written and options for implementation assessed. The performance of the current kerbside collection service will also be reviewed in partnership with the Contractor.*

*To assist in the initiation of waste minimisation, recycling and awareness projects, West Berkshire Council will apply for funding from external sources. In 2002/03, West Berkshire Council was awarded funding from the Government's £140 million Waste Minimisation and Recycling Fund for a pilot green waste segregation scheme. The Council will seek further funding throughout both the short and long term periods to assist West Berkshire in achieving statutory recycling and composting targets.*

### **Medium term (beyond 2005/06)**

It was planned that by 2004/05 that the PFI Contract would have been signed and that by 2005/06 the benefit of the new Contract would have been realised. Due to the delays in the procurement of the Contract the Council has been proactive in increasing composting and recycling within the current service provision.

### **Current Initiatives**

Current initiatives are outlined in the waste minimisation section above.

### **Planned Initiatives Outside of the Project**

West Berkshire Council will be retaining two recycling officers and a recycling manager. The approach to composting, recycling and waste minimisation during the Contract Term is joint working. Veolia will initiate and drive the initiatives with the Council providing 'on the ground support'. This approach has been undertaken to take advantage of VES's experience and resources as well as the Council's local knowledge.

### **Planned initiatives within the project**

The achievement of increased composting and recycling is to be approached through two means – through education and through improved facilities.

#### 1. Education

VES will provide, manage and operate an Education Centre designed to serve as a local centre for resource education and the promotion of waste minimisation and as a centre for Recycling and Composting and reuse within West Berkshire.

VES will develop, implement and operate a service that ensures effective community liaison including stakeholder consultation, educational, promotional and awareness activities, service user feedback and appropriate measures for dealing with all communications.

VES will support these activities through a staff structure, which includes a Communications and Waste Minimisation Manager, a Recycling Promotions Officer and an Education Centre Assistant. These employees, in coordination with the Council staff will make links with schools and local community groups to encourage use of the centre.

#### 2. Improved Collection and Infrastructure

The new Contract will provide additional collection of recyclables – kerbside collection of cardboard and plastics. Kerbside collection of recyclables will be undertaken fortnightly, as it is at present.

There will continue to be the same number of mini recycling centres throughout the project, with any changes being in agreement with the Council.

The integrated waste management facility will provide a waste recycling centre, accepting the following materials and green waste:

Green Waste, Cardboard, Paper/Magazines, Plastics & Cans, Glass, Textiles, Engine Oil, Scrap Metal, ELFFS, Tyres, Car Batteries, Other WEEE, Reusable bric-a-brac, furniture etc, Household Batteries, Florescent Light Tubes, Household Light Bulbs, Gas Bottles, Wood, Plasterboard, Shoes, Aluminium Foil, Books/CDs/DVDs, Soil & Rubble, Household Chemicals etc

The HWRC to be located in Newbury to replace Pinchington Lane HWRC will also have an improved range of materials with separated collection for recovery or recycling. These materials include: Green Waste, Cardboard, Paper/Magazines, Plastics & Cans, Glass (colour segregated), Textiles, Engine Oil, Scrap Metal, ODS, Car Batteries, Other WEEE, Reusable bric-a-brac, furniture etc, Tyres, Household Batteries, Fluorescent Light Tubes, Household Light Bulbs, Gas Bottles, Wood, Plasterboard, Shoes, Aluminium Foil, Books/CDs/DVDs, Soil & Rubble, Household Chemicals etc, Bonded Asbestos, General Waste

Kerbside green waste collection will commence 1 June 2008. This will be fortnightly collection. Once the IVC is operational, kitchen waste will also be collected with the green waste.

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### Expected Recycling and Composting Achievement

West Berkshire Council have been given, by VES, combined Recycling and Composting Targets (BVPI based). They are not outlined as separate targets for recycling and composting. There are three sets of targets - aspirational, guaranteed and predicted performance composting and recycling targets. The aspirational targets are those provided within the Specification. The predicted targets are based on the output from the waste flow model. The guaranteed targets are those against which the Unitary Charge will be calculated. The guaranteed targets are outlined in the table below. A comparison of the Guaranteed, Aspirational and Predicted Performance targets are provided in Table 3.3

The table below and Table 3.4 outlines Contract Waste only. The total household waste for West Berkshire includes an additional (approximate) 2,000 tonnes (parks waste, and waste allocated to West Berkshire Council from Island Road HWRC in Reading)

**Table 3.3                      Guaranteed Composting and Recycling Target**

Year	Recycling	Recycling (BVPI)	Composting	Composting (BVPI)	Contract Recycling and Composting	Contract Recycling and Composting
	Tonnage	% of HHW	Tonnage	% of HHW	Tonnage	% of HHW
2007/08						
2008/09					22,254	28.28
2009/10					32,739	38.34
2010/11					35,990	41.70
2011/12					37,713	43.23
2012/13					41,146	46.66
2013/14					43,895	49.42
2014/15					44,205	49.41
2015/16					44,517	49.40
2016/17					44,843	49.40
2017/18					44,998	49.39
2018/19					45,156	49.38
2019/20					45,156	49.38
2020/21					45,156	49.38
2021/22					45,147	49.37
2022/23					45,138	49.36
2023/24					45,138	49.36
2024/25					45,129	49.35
2025/26					45,129	49.35
2026/27					45,129	49.35
2027/28					45,119	49.34
2028/29					45,119	49.34
2029/30					45,119	49.34
2030/31					45,110	49.33
2031/32					45,110	49.33
1/4/32 – 30/9/32					22,555	49.33

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**Table 3.4 Comparison of aspirational, guaranteed and forecasted composting and recycling targets**

Year	Recycling and Composting (aspirational)	Recycling and Composting (guaranteed)	Recycling and Composting (guaranteed)	Recycling and Composting (predicted)	Recycling and Composting (predicted)
	% of HHW	Tonnage	% of HHW	Tonnage	% of HHW
2007/08					
2008/09	39	22,254	28.28	24,725	31.42
2009/10	41	32,739	38.34	35,882	42.02
2010/11	44	35,990	41.70	38,907	45.08
2011/12	44	37,713	43.23	40,776	46.73
2012/13	46	41,146	46.66	44,479	50.44
2013/14	50	43,895	49.42	44,792	50.43
2014/15	53	44,205	49.41	45,108	50.42
2015/16	54	44,517	49.40	45,427	50.41
2016/17	56	44,843	49.40	45,760	50.41
2017/18	56	44,998	49.39	45,918	50.40
2018/19	56	45,156	49.38	46,080	50.39
2019/20	56	45,156	49.38	46,080	50.39
2020/21	56	45,156	49.38	46,080	50.39
2021/22	56	45,147	49.37	46,070	50.38
2022/23	56	45,138	49.36	46,061	50.37
2023/24	56	45,138	49.36	46,061	50.37
2024/25	56	45,129	49.35	46,052	50.36
2025/26	56	45,129	49.35	46,052	50.36
2026/27	56	45,129	49.35	46,052	50.36
2027/28	56	45,119	49.34	46,043	50.35
2028/29	56	45,119	49.34	46,043	50.35
2029/30	56	45,119	49.34	46,043	50.35
2030/31	56	45,110	49.33	46,034	50.34
2031/32	56	45,110	49.33	46,034	50.34
1/4/32 – 30/9/32		22,555	49.33	23,017	50.34

### 3.6 Landfill Objectives

West Berkshire Council's strategic objectives for diverting waste from landfill were encompassed within all of the SWMPs. Through waste education, stakeholder consultation, waste minimisation and reuse, recycling and composting, and responsible waste management, waste can be diverted from landfill. However, the specific SWMPs for landfill diversion are SWMP 14, and 20, as outlined in Appendix 4.

One of the main drivers for the project has been the diversion of MSW, and more importantly BMW from landfill. Table 3.5 shows the expected MSW arisings and how much of this will be diverted from landfill. BMW diversion, as outlined in Table 3.6 is not guaranteed by VES.



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**Table 3.5 Diversion of MSW from Landfill**

Year	Total MSW Arising	HWRC Inert Waste Performance	Contract Waste Recycling and Composting	Thermal Treatment	Contract Waste MSW Landfilled	MSW Diversion <sup>3</sup>
	Tonnage	Tonnage	Tonnage	Tonnage	Tonnage	%
2007/08						
2008/09	78,693	389	22,254	0	56,050	29%
2009/10	85,392	1,541	32,739	7,500	43,612	49%
2010/11	86,307	1,821	35,990	10,000	38,496	55%
2011/12	87,237	1,858	37,713	25,000	22,666	74%
2012/13	88,182	2,055	41,146	25,000	19,982	77%
2013/14	88,820	2,078	43,895	25,000	17,847	80%
2014/15	89,465	2,093	44,205	25,000	18,167	80%
2015/16	90,116	2,109	44,517	25,000	18,490	79%
2016/17	90,775	2,124	44,843	25,000	18,808	79%
2017/18	91,107	2,132	44,998	25,000	18,977	79%
2018/19	91,446	2,140	45,156	25,000	19,150	79%
2019/20	91,446	2,149	45,156	25,000	19,141	79%
2020/21	91,446	2,149	45,156	25,000	19,150	79%
2021/22	91,446	2,149	45,147	25,000	19,159	79%
2022/23	91,446	2,149	45,138	25,000	19,159	79%
2023/24	91,446	2,149	45,138	25,000	19,168	79%
2024/25	91,446	2,149	45,129	25,000	19,168	79%
2025/26	91,446	2,149	45,129	25,000	19,168	79%
2026/27	91,446	2,149	45,129	25,000	19,178	79%
2027/28	91,446	2,149	45,119	25,000	19,178	79%
2028/29	91,446	2,149	45,119	25,000	19,178	79%
2029/30	91,446	2,149	45,119	25,000	19,178	79%
2030/31	91,446	2,158	45,110	25,000	19,178	79%
2031/32	91,446	2,158	45,110	25,000	9,589	79%
1/4/32 – 30/9/32	45,723	1,079				79%

<sup>3</sup> MSW Diversion = MSW not landfilled/MSW Arisings

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**Table 3.6 Diversion of BMW from Landfill**

Year	Total BMW Arising	BMW Landfilled (Guaranteed)	BMW Landfilled (Forecasted)	LATS Allowance	Surplus/ (Deficit) Guaranteed	Surplus/ (Deficit) Forecast
	Tonnage	Tonnage		Tonnage	Tonnage	
2007/08						
2008/09	53,511	37,740	33,196	36,281	-1,541	-3,085
2009/10	58,067	26,761	24,783	30,531	-3,770	-5,748
2010/11	58,689	23,869	22,001	26,902	-3,033	-4,901
2011/12	59,321	11,795	10,156	23,275	-11,480	-13,119
2012/13	59,964	12,677	10,495	19,632	-6,955	-9,137
2013/14	60,398	11,303	10,667	18,692	-7,389	-8,025
2014/15	60,836	11,481	10,842	17,751	-6,270	-6,909
2015/16	61,279	11,652	11,010	16,811	-5,159	-5,801
2016/17	61,727	11,843	11,197	15,878	-4,035	-4,681
2017/18	61,953	11,934	11,287	14,952	-3,018	-3,665
2018/19	62,183	12,026	11,377	14,026	-2,000	-2,649
2019/20	62,183	12,026	11,377	13,100	-1,074	-1,723
2020/21	62,183	12,026	11,377	13,100	-1,074	-1,723
2021/22	62,183	12,026	11,377	13,100	-1,074	-1,723
2022/23	62,183	12,026	11,377	13,100	-1,074	-1,723
2023/24	62,183	12,026	11,377	13,100	-1,074	-1,723
2024/25	62,183	12,025	11,377	13,100	-1,075	-1,723
2025/26	62,183	12,025	11,377	13,100	-1,075	-1,723
2026/27	62,183	12,025	11,377	13,100	-1,075	-1,723
2027/28	62,183	12,025	11,377	13,100	-1,075	-1,723
2028/29	62,183	12,025	11,377	13,100	-1,075	-1,723
2029/30	62,183	12,025	11,377	13,100	-1,075	-1,723
2030/31	62,183	12,025	11,377	13,100	-1,075	-1,723
2031/32	62,183	12,025	11,377	13,100	-1,075	-1,723
1/4/32 – 30/9/32	31,092	9,072	5,689	6,550	-538	-862

### 3.7 Appraisal of Technology Options for Residual Waste Treatment

During the development of the waste management strategy for West Berkshire Council a series of potential strategies were developed and analysed to provide a range of waste management options that could serve the needs of the District over a period of 20 – 25 years. Five key strategy scenarios were developed and presented to the Council for consideration:

1. The Base Case (i.e. continuation of the existing situation)
2. Maximised Dry Recycling and Composting
3. Maximum energy from waste and sustained dry recycling
4. Highest Level of Sustainability
5. The Balanced Option

The scenarios related to both the treatment and disposal options and the collection techniques to serve the options. At a Council meeting on 9 January 2001, the Members voted to adopt the maximised dry recycling and composting scenario as their preferred option.

To support the PFI bid five further scenarios were developed and modelled, based upon the maximised dry recycling and composting option. The five scenarios identified different options and combinations of options available, which represent the base case and four further approaches to maximising dry recycling and composting. They are modelled to include the impacts that systems may have on behaviour and attitudes to waste management issues, for example recycling and minimisation. The five scenarios were:

1. Basecase
2. Ecology Village with centralised MRF
3. Ecology Village without MRF (kerbside sorting)
4. MRF but not Ecology Village
5. No MRF, no Ecology Village but efforts to improve recycling

The term Ecology Village incorporated a wide range of educational facilities, and the integrated waste management facilities. Of importance to waste treatment an IVC was included on site.

The performance of these scenarios were investigated with regards to: relative disposal of waste by scenario over the life of the contract, relative performance against recycling, recovery and landfill standards and targets, whole life project costs and discounted whole life project costs. A WRATE performance test was not undertaken on the project as it was not available at the time. Wizard was not undertaken as the scenarios did not include comparable technology.

The financial analysis of these five scenarios are held within Appendix 7. The technical analysis of these five scenarios are held within Appendix 8.

## 4 Procurement Strategy and Reference Project

### 4.1 Introduction

With the development of new Contract documents and within the procurement process, the Strategic Waste Management Policies have been considered. A table has been included within Appendix 6 which outlines how each policy has been considered within the output specification, the contract and the procurement process.

#### 4.1.1 Long List to Short List

Four submissions were received at ISOP stage, all of which were from credible and established waste management companies; **[INFORMATION WITHHELD]**. Onyx became Veolia Environmental Services (VES), and will be termed 'VES' for the remainder of the document. The review of the ISOP submissions suggested that all the bids were capable of delivering the project from both a technical and financial perspective. **[INFORMATION WITHHELD]** withdrew from the bidding process prior to ITN stage. The two remaining bidders **[INFORMATION WITHHELD]** were issued with ITN documents. There followed a period of negotiation and clarification in which the details of the bids were revised to reduce costs and improve value and affordability. The Council chose to proceed to BaFO stage to consolidate the changes made during the negotiation and clarification stage. **[INFORMATION WITHHELD]**.

Table 4.1 below outlines the evolution of the bidder solutions from the long list at ISOP to the final solution at Preferred Bidder.

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Table 4.1 Summary of Bidder Solutions - Long List to Short List

[INFORMATION WITHHELD]				

### 4.1.2 Competition

Four submissions were received at ISOP stage from **[INFORMATION WITHHELD]**. Both **[INFORMATION WITHHELD]** and VES were invited to submit best and final offers (BAFO) further to an affordability workshop after the ITN stage.

**[INFORMATION WITHHELD]**. The Council has successfully completed the procurement to Preferred Bidder stage and are now close to award of contract. The Council is confident that this project reflects value for money whilst delivering on the objectives originally set out in the OBC and meets the DEFRA conditions set on approval to continue with a single bidder.

Further detail on competition is provided within 8.4.10.

### 4.2 Overall Strategy for Procurement

The purpose of this procurement was to procure a contract that would provide all the waste services required by West Berkshire Council.

The Integrated Waste Management Service comprises the following core elements:

- Management of Contract Waste;
- development and operation of the Integrated Waste Management Facility ;(IWMF), comprising of an IVC, MRF, WTS, Education Centre, Depot;
- collection of Residual Waste, Recyclables and Biowaste Materials;
- Street Cleansing and Litter Collection, including weed treatment;
- Bulky Household Waste Collection;
- Clinical Waste Collection and Disposal;
- operation and management of HWRCs and mini recycling centres;
- management of Abandoned and End of Life Vehicles;
- education, Service Promotion and Waste Minimisation;
- provision of an Integrated Service Management System.

Table 4.2 below shows how the services will be phased in and performed during the interim and final stage of the contract period.

**Table 4.2 Initial Period (Prior to Integrated Waste Management Facility Operation) Service Phasing**

Contract	Service Commencement	Additional Information
Refuse Collection, Street Cleansing & Litter	1 March 2008	Weekly collection of residual waste

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Contract	Service Commencement	Additional Information
Collection Contract		from 1 March 2008 Street Cleansing and Litter Collection performed from 1 March 2008
Green Waste Collection	1 June 2008	Fortnightly collection of green garden waste
Waste Disposal Services Contract	Ongoing with WRG, using Sutton Courtenay Landfill Site.	VES will be able to use the Council's contract for landfill capacity until the end of June 2009. VES to use Springfield Landfill Site from 1 July 2009
Curtilage Recycling Collection (including certain Paper and Card Banks)	1 March 2008	Fortnightly collection of plastics, cans, paper and card, glass and textiles
HWRC provision – Pinchington Lane	1 February 2008	This HWRC will continue to be operated by Biffa. The contract ends in September 2008 at which point Pinchington Lane will be closed down. From Contract commencement VES will collect paper and card and green waste from Pinchington Lane and take to treatment plants
HWRC provision – Newtown Road	1 <sup>st</sup> October 2008	VES will operate this site on behalf of WBC
Paices Hill Management	1 February 2008	VES will be sub contracting the encumbant sub contractor to operate this site
Fridges and Freezers		Transferred to WEEE compliance scheme
Bring Sites / Mini Recycling Centre (except paper and card banks as these are included in the curtilage recycling collection contract)	1 February 2008	VES are subcontracting all incumbant sub contractors
Green Waste Composting from HWRC sites	1 February 2008	
Abandoned Vehicles	1 February 2008	VES will be using a new sub contractor from 1 March 2008. The sub contractors will be: R & G (Hants) Limited 7 Highworth Cottages Stokes Lane Baughurst Tadley Hampshire, RG26 5JP
Schools Waste	It was decided by WBC that this service would not be provided as part of the PFI contract. The schools all decided that the prices offered by VES were too high for their existing budgets.	

**Table 4.3 Full Service Provision (Integrated Waste Management Facility Online Service Phasing**

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<b>Contract</b>	<b>Service Commencement</b>	<b>Additional Information</b>
Refuse Collection	On going from 1 March 2008	Fortnightly collection – alternate week collection to recyclables and green waste
Street Cleansing & Litter Collection Contract	On going from 1 March 2008	No change to service from initial service
Green Waste Collection	Ongoing from 1 June 2008	Fortnightly collection of green garden waste and kitchen waste. This collection will take place on the same day and week as the recyclables and on an alternate week to residual waste collection. This waste will be treated in the IVC.
Waste Disposal Services Contract	Ongoing	
Curtilage Recycling Collection (including certain Paper and Card Banks)	Ongoing from 1 March 2008	Fortnightly collection of plastics, cans, paper and card, glass and textiles. This is then cleansed at the new MRF
HWRC provision – Pinchington Lane	This site will not be operational	
HWRC provision – Newtown Road	1 <sup>st</sup> October 2008	VES will operate this site on behalf of WBC
Paices Hill Green Waste Services	This site will not be operational	VES will be sub contracting the encumbant sub contractor to operate this site
Fridges and Freezers		Transferred to WEEE compliance scheme
Bring Sites / Mini Recycling Centre (except paper and card banks as these are included in the curtilage recycling collection contract)	Ongoing from 1 February 2008	
Green Waste Composting from HWRC sites	Ongoing	Green Waste will be composted within the IVC
Abandoned Vehicles	Ongoing from 1 February 2008	



### 4.3 Output Specification for the Project

#### Scope of the Services

<b>Service Output Ref</b>	<b>Service Output</b>	<b>Description</b>
SO 1	Integrated Waste Management System	An integrated Waste management service for Recycling, Composting, landfill Diversion and management of Contract Waste, fulfilling the outputs and requirements set out within the Specification. This includes the management, collection, reception, storage, processing, sale, removal, transportation, treatment and disposal of Contract Waste, secondary products and residues, Cleansing and Litter collection. To enable the effective management of all Waste streams the Contractor shall provide a Waste composition analyses service
SO 2	Collection of residual Waste, Recyclable and Biowaste materials	The collection of Contract Waste within West Berkshire including the collection of residual Waste and Recyclable and Biowaste materials.
SO 3	Household Waste, Recycling Centres (HWRC) and Mini Recycling Centres	The provision, management and operation of Household Waste Recycling Centre(s) for the receipt, storage and transfer to treatment Facilities and disposal of Contract Waste, fulfilling the Council's statutory duties (Section 51) of the EPA. Segregation of Waste at the Household Waste Recycling Centre(s) is integral to maximising Composting and Recycling.  The provision and servicing of Mini Recycling Centres outside of the Household Waste Recycling Centre(s).
SO 4	Abandoned and End of Life Vehicles	The collection, storage and disposal of Abandoned Vehicles and End of Life Vehicles.
SO 5	Waste Reception, Storage Transfer, Processing and Disposal	Arranging for and making available all Facilities and Services for the reception, storage, transfer, processing, treating and disposal of Contract Waste.
SO 6	Initial Services Provision	Mobilisation and phasing in of initial services provision, until the integrated waste management facility is operational
SO7	End Markets for Secondary Materials and Products	The marketing and delivery to final markets and end users for all secondary materials and products derived from Contract Waste.
SO 8	Street Cleansing and Litter Collection	The collection of Litter, Detritus and provision of a Cleansing Service contributing to the maintenance of a clean and safe environment within the West Berkshire District.
SO 9	Education, Service Promotion and Waste Minimisation	The provision, management and operation of an Education Centre designed to serve as a local centre for resource education, the promotion of Waste minimisation and as a centre for Recycling,

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Service Output Ref	Service Output	Description
		<p>Composting and reuse within the West Berkshire District.</p> <p>The Contractor shall develop, implement and operate a Service that ensures effective community liaison including stakeholder consultation, educational, promotional and awareness activities, Service User feedback and appropriate measures for dealing with all communications.</p>
SO 10	Integrated Service Management System, Monitoring and Reporting	Measures for an effective service management system, consistent with the principle of total quality management that will integrate all plans, legal and contractual requirements, good management practice and provide an effective monitoring and reporting system for both the Contractor and the Council.
SO 11	Employment and Staffing	Responsibility for employment and staffing
SO 12	Health & Safety	Conducting the Works and Services in accordance with all Health and Safety requirements.
SO 13	Quality and Environmental Management	Operation of all aspects of the Works and the Services to a defined Quality and Environmental Management System.
SO 14	Contingency Planning and Contract Expiry	The provision of a continuous Service at all times, including the effective and successful contract initiation, delivery, and handover at the end of the Contract Period.

The Key Performance Criteria are based around composting and recycling and diversion of MSW from landfill. The aspirational targets are set out in Table 4.4 below.

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**Table 4.4 Key Performance Criteria**

Year	Contract	Contract
	Recycling and Composting Tonnage	Recycling and Composting % of HHW
2007/08		
2008/09	34,923	39
2009/10	25,191	41
2010/11	22,405	44
2011/12	22,717	44
2012/13	20,952	46
2013/14	19,650	50
2014/15	18,131	53
2015/16	18,020	54
2016/17	16,667	56
2017/18	16,773	56
2018/19	16,852	56
2019/20	16,867	56
2020/21	16,867	56
2021/22	16,867	56
2022/23	16,867	56
2023/24	16,867	56
2024/25	16,867	56
2025/26	16,867	56
2026/27	16,867	56
2027/28	16,867	56
2028/29	16,867	56
2029/30	16,867	56
2030/31	16,867	56
2031/32	16,867	56

### 4.4 Long Listing

The long list of options assessed are those that were submitted at the ISOP stage. These were evaluated using WBC’s ISOP evaluation methodology.

As the ISOP is part of the ITN process, the evaluation criteria of the ISOP and ITN mirror each other. The evaluation mechanism was designed to provide a structured and auditable approach to evaluating the tenders submitted by bidders. Three key evaluation criteria (Tier 1) formed the basis for the full ITN evaluation.

Table 4.5 below describes each criteria and explains at which stage they are pertinent.

**Table 4.5 : Tier 1 Key Evaluation Criteria**

Key Criteria (Tier 1)	Criteria Category	Description	Stage
Technical and Funding	A	Delivery of service objectives, including but not limited to service specification, planning and project structure and funding	Used for ISOP and ITN evaluation.
Financial	B	Lowest Net Present Cost (NPC) to the Council and affordability of the solution to the Council in the early years of the Contract.	Used for ITN evaluation
Legal	C	Degree of acceptance to the Council’s proposed contractual position (this may include employment / TUPE/ Pensions / Insurance	Used for ITN evaluation

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The three ‘Tier 1’ criteria above were developed further into a number of sub-criteria, to create Tier 2. Each sub-criterion was weighted in order to derive its relative importance within each of the Tier 1 key criteria.

As shown in Table 4.5 only criteria category A (Technical and Funding Proposals) was evaluated at ISOP stage, as well as at the full ITN. At the ISOP stage criteria category A has been expanded and developed into 8 sub criteria, all of which formed the basis for ISOP evaluation.

The score for each Criteria Category A, Tier 2 sub-criteria, was derived through the application of a number of tests that related specifically to the questions asked in the ISOP documentation. Each of the Tier 2 sub criteria related to a discrete group of these questions (as shown in Table 4.4 below) and individual questions were weighted in relation to their relative importance to the Council.

**Table 4.4: Weightings within Key Criteria A**

<b>Key Criteria A</b>	<b>Section Weighting</b>
<p><b>Technical Questions</b></p> <ul style="list-style-type: none"> <li>• Overall Technical Solution</li> <li>• Technologies</li> <li>• Environmental and Sustainability</li> <li>• Secondary Materials and Products</li> <li>• Planning, Sites and Regulatory Issues</li> </ul>	65%
<p><b>Funding Proposal</b></p> <ul style="list-style-type: none"> <li>• Proposed Approach to Securing Funding</li> <li>• Proposed Structure to Deliver the Contract</li> </ul>	25%
<p><b>Holistic Approach (Technical and Funding approach)</b></p>	10%

As shown in Table 4.4, an holistic assessment of the bidders overall response was performed. This was designed to ensure that the answers to the ISOP questions when considered in their entirety, presented an outline integrated waste management solution that is deliverable, consistent, coherent and provides added benefit to the Council.

Table 4.7 and 4.8 below provide a breakdown of each area evaluated under Key Criteria A, detailing the proposed weightings and scoring applied.

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**Table 4.5 Technical Evaluation Matrix**

Question No.	Detail	Maximum Score	Weighting	Maximum Weighted Score	Sub Totals Score
<b>Section A</b>	<b>Overall Technical Solution</b>				<b>27.5</b>
1	Proposed Technical Solution	10	1.25	12.5	
2	Service Delivery Schedule	10	0.25	2.5	
3	Kerbside Collection Systems	10	0.75	7.5	
4	Street Cleansing Systems	10	0.5	5.0	
<b>Section B</b>	<b>Technologies</b>				<b>15</b>
5&6	Proposed Technologies / Facilities and Reference Plant Details	10	1.5	15.0	
<b>Section C</b>	<b>Environment and Sustainability</b>				<b>12.5</b>
7	Waste Minimisation Proposals	10	1.25	12.5	
<b>Section D</b>	<b>Secondary Materials and Products</b>				<b>2.5</b>
8	Markets for Reclaimed Materials	10	0.25	2.5	
<b>Section E</b>	<b>Planning and Sites</b>				<b>7.5</b>
9	Management of Planning Risk	10	0.75	7.5	
<b>Total</b>					<b>65</b>

**Table 4.6: Financial Assessment Scoring**

Question No.	Detail	Maximum Score	Weighting	Maximum Weighted Score	Sub Totals Score
<b>Para 7.3</b>	<b>Funding Proposals</b>				<b>12.5</b>
10	Approach to securing funding	10	1.25	12.5	
<b>Para 7.4</b>	<b>Performance Guarantees and Contracting Structure</b>				<b>12.5</b>
11	Proposed Structure to deliver the contract	10	1.25	12.5	
<b>Total</b>					<b>25</b>

**Table 4.7: Holistic Approach Scoring**

Question No.	Detail	Maximum Score	Weighting	Maximum Weighted Score	Sub Totals Score
	<b>Overall Holistic Approach</b>				<b>10</b>
	Overall Holistic Approach	10	1	10	
<b>Total</b>					<b>10</b>

The full evaluation methodology is held in Appendix 9

4.4.1 Identification of Technology Options

The reference project at OBC was based on an Ecology Village with a centralised MRF. There was both technology identified to enable recovery of recyclables for recycling and composting, and facilities to facilitate increasing peoples awareness of waste minimisation, composting and recycling.

**OBC Facilities**

- Transfer Station
- In Vessel Composter
- MRF
- Windrow Compost area
- Education Centre

The technical solutions presented at ISOP are presented in Table 4.10 below.

**Table 4.10 ISOP Technical Solutions**

<b>[INFORMATION WITHHELD]</b>				

**[INFORMATION WITHHELD]**

As explained in the following sections, the facilities presented at ISOP differ to those carried forward to being the Preferred Bidder Reference Project, due to the ITN affordability workshop and altered BAFO solution by VES.

4.4.2 Appraisal of Long List (ISOP)

The solutions put forward at ISOP are detailed in the table 4.11 below

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Table 4.11 ISOP Solutions

[INFORMATION WITHHELD]				

Table 4.12 below provides a summary of the results of the ISOP evaluation. Full results can be found in Appendix 10. Evaluation of the base case has been undertaken on the technical element of the evaluation. It can be seen to score significantly less than any of the bids.

**Table 4.12 : Summary of Results**

<b>[INFORMATION WITHHELD]</b>				

The Council reserved the right to not take through to the next stage of the ITN any Bidder that scored less than 40 points in total. This did not apply to any of the above Bidders. All Bidders gained more than 40 points and therefore went through to the next stage of the ITN.

**4.5 Appraisal of Short-listed Options to Identify Reference Project**

**4.5.1 Details of Evaluation Criteria**

West Berkshire Council issued a full Invitation to Negotiate (“ITN”) to the four bidders short-listed in response to the Invitation to Submit Outline Proposals which represented the first part of the negotiated phase of the procurement process. The ITN documents were sent to the four bidders on 29<sup>th</sup> November 2004. ITN documents were returned back to the Council on the 26<sup>th</sup> April 2005.

It was stated within the ITN documents that bidders must submit a Standard Bid based on the services specified, to the required levels of performance as outlined in the specification and Performance Management Framework and the risk allocation framework, which was provided

Four key criteria formed the basis for the full ITN evaluation as shown in Table 4.13.



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Table 4.13 ITN Key Criteria

Key Criteria		Stage of Evaluation
A	<i>Technical and Funding</i> Delivery of service objectives, including but not limited to service specification, environment and sustainability, management of secondary products and materials and project structure and funding	Evaluated at ISOP and ITN stage
B	<i>Financial and Commercial</i> Lowest Net Present Cost (NPC) to the Council and affordability of the solution to the Council in the first five years of the Contract.	Evaluated at ITN stage
C	<i>Legal and Contractual</i> Degree of acceptance to the Council's proposed contractual position (this may include TUPE/ Insurance/ SOPC3 compatibility)	Evaluated at ITN stage
D	<i>Overall Integrity</i> Overall integrity of the Bid	Evaluated at ITN stage

For the overall ITN evaluation score a weighting for each key criteria was allocated to reflect the relative importance attributed to that key criteria. The four key criteria were developed further into a number of sub-criteria as outlined in Table 3.

Table 4.14 Key Criteria and Sub Criteria Weightings

Key Criteria	Key Criteria Allocation	Sub Criteria	Sub Criteria Allocation
A – Technical and Funding			35%
<b>Technical</b>	30%	<b>A1 - Overall Technical Solution</b>	<b>12%</b>
		<b>A2 - Technologies</b>	<b>6%</b>
		<b>A3 - Environment and Sustainability</b>	<b>6%</b>
		<b>A4 - Secondary Materials and Products</b>	<b>4%</b>
		<b>A5 - Planning, Sites and Regulatory Issues</b>	<b>2%</b>
<b>Funding and Structure</b>	5 %	<b>A6 - Proposed Approach to Securing Funding</b>	<b>2.5%</b>
		<b>A7 - Proposed Structure to Deliver the Contract</b>	<b>2.5%</b>
B – Financial and Commercial			45%
<b>Financial and Commercial</b>	45%	<b>B1 - Economic Cost of each bid to the Council</b>	<b>31.5%</b>
		<b>B2 - Affordability of the Bid in the first 5 years</b>	<b>13.5%</b>
C - Legal and Contractual			12%
<b>Legal and Contractual</b>	12%	<b>C1 - Acceptability of Project Agreement and Schedules</b>	<b>7.2%</b>
		<b>C2 - Acceptability of draft Risk Matrix</b>	<b>0.6%</b>
		<b>C3 - Extent of workable solutions where deviate from Project Agreement</b>	<b>1.8%</b>
		<b>C4 - Extent of Commitment from funders / sponsors (as relevant to Project Agreement)</b>	<b>1.8%</b>
		<b>C5 - Deliverability of Proposals</b>	<b>0.6%</b>
D – Overall Integrity			8%
	8%	<b>Overall Integrity</b>	<b>8%</b>
<b>TOTAL</b>			<b>100%</b>

The full evaluation methodology is held in Appendix 11

4.5.2 Definition of Facilities

ITN Submission

<b>[INFORMATION WITHHELD]</b>				

**4.5.3 Performance of the Short-Listed Options**

VES's submission achieved a recycling and composting rate of (not guaranteed) and a LATS compliant BMW diversion rate. The accomplishment of these rates is not easily designated to the individual facilities.

**VES**

The bid exceeded the service specification in relation to BMW diversion, .

Facilities scored acceptably for appropriateness. The facility designs and internal and external layouts scored well as did plant and equipment. The treatment of waste to standards for treatment or disposal, and the reduction of BMW to landfill due to this also scored well. The technology is proven, with good reference plant and a supplier deemed reliable.

**[INFORMATION WITHHELD]**

4.5.4 Cost of the Short-Listed Options

<b>[INFORMATION WITHHELD]</b>					

4.5.5 Appraisal of Short-Listed Options

The following organisations submitted an ITN bid on 26<sup>th</sup> April 2005.

- **[INFORMATION WITHHELD]**
- VES Aurora Ltd “VES”

The content of these bids are outlined in Table 4.15. The full ITN evaluation results are in Appendix 12.

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**Table 4.15 ITN Submission**

<b>[INFORMATION WITHHELD]</b>					

Table 4.16: Summary of Results (First ITN Submission)

### [INFORMATION WITHHELD]

#### **Affordability Workshop**

The ITN submissions were found not to be affordable – as they were outside of the affordability envelope. A series of ‘Affordability Workshops’ were held with both Bidders to negotiate and clarify the details of the bids to reduce cost and improve value and affordability. These revised bids are outlined in Table 4.15.

As a result of the workshops the technical solution of both bidders was changed to meet the affordability requirements of the Council. [INFORMATION WITHHELD].

#### **BAFO Submission**

Further to the ITN Affordability Workshops, the Council required the Bidders to submit a Best and Final Offer to secure any amendments to the ITN and to confirm prices.

### [INFORMATION WITHHELD]

## **4.6 Quality of Competition**

The Council has been engaged since 2003 in the procurement of an Integrated Waste Management Contract aimed at delivering the aims and objectives of the Council’s MWMS. The Council has fully supported the procurement process and has been pleased to see both the level of commercial interest and competition which has been generated. The Project Team has made every effort to maximise interest in this project and has maintained a constructive dialogue with the bidders throughout what has been a fair and thorough competitive process. The Council’s Executive Member for Waste has worked closely with the Project Team and been involved in the negotiations. He is confident that the work undertaken to date can deliver the Council’s long term waste management strategy.

As the number of projects brought to market is increasing and the current market capacity remains limited, the way in which the Council’s project has been tendered has been critical in ensuring a high level of response from bidders and a competitive process to date.

A soft market testing exercise was undertaken in the early stages of the project and this process revealed that long term integrated waste management contracts were the preferred approach to service delivery in a unitary authority. There was also an indication of a high level of interest from waste management companies in tendering for an integrated contract for West Berkshire.

In order to ensure that the contract structure was in line with market expectations the Council hosted an industry day at the PQQ stage of the procurement process to gather feedback from potential bidders. In addition, the Council’s output specification was carefully set out so as not to limit the market to a select group of tenderers by, for example, not specifying a particular technology and presenting the performance targets as aspirational rather than minimum requirements. The Council also identified a site where waste management facilities could be located ensuring a level playing field for potential tenderers.

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Throughout the procurement process, **[INFORMATION WITHHELD]**, a good quality of competition has been maintained, demonstrating the level of market interest for the Council's project. An overview of the procurement process to date and the numbers of responses received at each stage is set out in the following table:

Event	Narrative
Soft Market Testing	<ul style="list-style-type: none"><li>• Conducted with 13 waste management companies 2000 – 2004.</li></ul>
PQQ	<ul style="list-style-type: none"><li>• 39 enquiries</li><li>• Well attended industry day</li></ul>
ISOP	<ul style="list-style-type: none"><li>• 4 submissions</li><li>• <b>[INFORMATION WITHHELD]</b></li></ul>
ITN	<ul style="list-style-type: none"><li>• <b>[INFORMATION WITHHELD]</b></li><li>• VES ranked highest in evaluation</li></ul>
Value Engineering Workshop	<ul style="list-style-type: none"><li>• Bidders' proposals sought to improve affordability</li></ul>
BaFO issued	<ul style="list-style-type: none"><li>• Consolidate proposed ITN revisions</li><li>• Confirm Value Engineering proposals</li></ul>

### **[INFORMATION WITHHELD].**

The competitive case can be summarised as:

- The output specification was designed to encourage competition and be attractive to a wide range of potential bidders. This was done by not specifying a particular technology, presenting performance targets as aspirational rather than the minimum requirement and identifying a potential site for facilities,
- the project attracted a high level of interest with 39 enquiries at the PQQ stage and a well attended industry day,
- four submissions were received at ISOP stage, all of which were from credible and established waste management companies; **[INFORMATION WITHHELD]**. The review of the ISOP submissions suggested that all the bids were capable of delivering the project from both a technical and financial perspective,
- **[INFORMATION WITHHELD]**
- the two remaining bidders **[INFORMATION WITHHELD]** were issued with ITN documents, including a full Project Agreement and Output Specification in November 2004. Responses to the ITN were received in April 2005. There followed a period of negotiation and clarification in which the details of the bids were revised to reduce costs and improve value and affordability,
- serious consideration was given to appointing VES as preferred bidder at this stage. VES had submitted a deliverable proposal that had been developed in a competitive environment and was within the Council's affordability

envelope. VES are an experienced PFI bidder and it was noted that their proposals would be funded 'on balance sheet' which would reduce risks associated with project funding,

- however, rather than appointing VES as preferred bidder following ITN evaluation, the Council chose to proceed to BaFO stage to consolidate the changes made during the value engineering exercise and to incorporate the introduction of a Household Waste Recycling Centre,
- **[INFORMATION WITHHELD]**

In summary, high quality competition has been demonstrated from the commencement of this project. There has been strong market interest and sustained competitive pressure from bidders and a clear emphasis on affordability from the Council. Extensive value engineering was undertaken post-ITN to ensure that the Council's objectives of Value for Money and affordability were reached. The establishment of clear rules of engagement and open book accounting will ensure that West Berkshire Council and VES are able to deliver an effective integrated waste management strategy for the best possible price.

**[INFORMATION WITHHELD]**

## 5. Risk Management, Risk Allocation and Contractual Structures

### 5.1 Introduction

Risk identification, assessment, evaluation and management are an integral part of the project management life-cycle. A risk framework is currently in place for the procurement of the Integrated Waste Management Contract and considers the impact of risks on the overall project. The PFI framework is based around the sharing of project risks with the parties that are 'best placed' to manage those particular risks.

To enable the apportionment of risk between client and contractor a Risk Sharing Matrix was developed at the Invitation to Submit Outline Proposals stage [ISOP] based upon the 4P's guidance, and external advice from our technical, legal and financial advisors.

West Berkshire Council have appointed technical, legal and financial advisors to assist the authority in the procurement of the new Integrated Waste Management Contract. These advisors also contribute toward the risk management of the project.

A Project Risk Management Panel within the PFI project was established to assess, review and manage the risks (where practicable) to the project. The risk panel consists of:

	Waste PFI & Project Manager
	West Berkshire Council - Risk Manager
	Project Officer – Technical
	Project Officer – Legal
	Project Officer - Financial

It should be noted that the risks up to contract signature are currently being addressed in discussions and negotiations with VES with a view to reaching an acceptable and appropriate risk matrix. The final position in relation to the contract and remaining risks will be detailed in the final report scheduled for Full Council on the 25<sup>th</sup> January 2008.

#### 5.1.1 Risks Up to Contract Signature

##### **Padworth Sidings**

**Architectural Enhancements / Satisfactory Planning provisions** This has been one of the main areas of risk to the Council for many months. VES are seeking protection from the Council if particular planning conditions in relation to their design proposals are imposed by the Planning Authority. This list of conditions is still under negotiation however progress has been made and this issue is close to resolution.



**Padworth Sidings Site - Costs.** The current submission from VES identifies approximately of site remediation costs which consist of export/import/treatment of on-site contaminated material. Further costs of approximately are attached to this site for pollution barriers and utility connections into the local network. These costs are currently being challenged by Officers to assist in reducing the cost base for the contract.

**In Vessel Composting Facility [IVC] – Due Diligence** The Council's technical advisors are yet to be satisfied that the IVC facility will meet all the operational requirements of the service. Work is being undertaken on the management of this risk within the contract. Agreement on the operational tests for the IVC has yet to be finalised and agreed. The Council will further assurances from VES regarding performance of the IVC, and is looking to resolve this as a matter of urgency.

**Construction:** VES will not enter into their construction contract until after planning permission has been obtained, however the key terms and conditions have been agreed and are contained within the Project Agreement.

### 5.1.2 Risks After Contract Signature

Once the contract has been awarded [subject to contract signature] there are a number of residual risks remaining with the Council. The current state of these are summarised below, however a comprehensive Risk Allocation Matrix will be provided once the final risk allocation has been agreed between the Council and VES.

**Landfill Allowance Trading Scheme [LATS]** VES guarantees performance and associated costs under the contract to a certain level. The Council has a target each year for the amount of waste it can send to landfill [under the Landfill Allowance Scheme]. DEFRA have stated the penalty for not meeting the target is. It is expected that other local authorities will be buying and selling landfill allowances at a figure substantially below the penalty price.

**Waste Volume Changes** The Contract is based on projections of waste for the next 25 years and there is a risk associated with actual growth figures being outside of these projections. The waste projection model estimates waste growth at approximately 1.0% per year until 2017 where it is assumes 0% growth from then onwards.

**Number of Collections** The contract provides for an increase of on existing property numbers without any contractual price increase in relation to cost of collections. Increased property numbers above the will trigger additional payments for each complete tranche of 500 properties.. The current waste contract also allows for increased payments to be made to the contractor as the property base numbers increases. This is a known risk that the Council has to manage whatever the contact type. This relates to collection costs only and not for other waste charges.

**Retail Price Index [RPIx]** The Contract is based on a projected contract inflation index of 2.5% per year. A risk remains if the Retail Price Index runs at an inflation

level above 2.5% per year as the Council would have to pay the difference. RPIx does however protect the Council from less predictable price indices such as the Baxter Index which represent a construction based formula that follows more accurately the costs of labour, fuel and facility costs.

**Delay in Providing Padworth Sidings / Planning Approval** The Contract is based on Padworth Sidings becoming operational by November 2011. Should the site deliverability be delayed through site acquisition or in the granting of planning consent there is a financial risk [] attached to this delay. There are several risks to achieving planning consent ranging from highways/access issues to local opposition which are considered to be significant.

**Ecological Mitigation – Padworth Sidings** Further seasonally based ecological studies need to be undertaken in 2008 to determine the mitigation measures needed to allow the development to proceed. Currently two surveys have already been undertaken on the site and several ecological issues have been identified or are under negotiation and have therefore been costed within the financial model. There is a residual financial risk to the Council associated with further ecological mitigation measures arising from these studies.

**Delay in Development Programme:** In particular identified circumstances the cost of a delay to the development programme of Padworth will reside with the Council. For example, a delay in timetable due to the Council failing to issue the s.106 with the planning permission or having to CPO the Padworth Sidings site rather than acquiring it by private treaty. The areas which have been identified are outside the control of VES and are not risks that it is thought best value for VES to price or incorporate into their timetable.

**Compensation Events –** These are particular events that may happen during the Contract Period, outside the control of VES, which the Council will be required to compensate VES for if they arise. They include events such as delay in granting VES leases at Pound Lane and Padworth. This list of events is still to be finalised with VES and PUK.

**Change in Law –** There is a sharing mechanism within the contract for apportioning costs in relation to changes in law which is consistent with the standardised treasury guidance.

**Failure to Acquire Padworth Sidings** The costs to the Council over the failure to acquire Padworth Sidings either through private treaty or CPO will be the net value of the tangible fixed assets at the date of the contract termination. Should the contract have to be terminated due to the failure to provide Padworth then the Council would have to take over the fixed assets, for example waste collection vehicles, street cleansing vehicles. These would then be passed onto any new contractor.

### 5.2 Risk Management

The first phase of risk review was undertaken in May 2004 following the posting of the Official Journal of the European Notice (OJEU) advertising West Berkshire Council's intent to tender for an integrated Waste Management Contract under PFI. The basis of these reviews followed the Risk Sharing Matrix set out in the ISOP document. The risk reviews were then undertaken approximately every three months

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of the procurement to continually assess risk exposure on the project. This process is fed into the various stages of decision making that has been undertaken throughout the project.

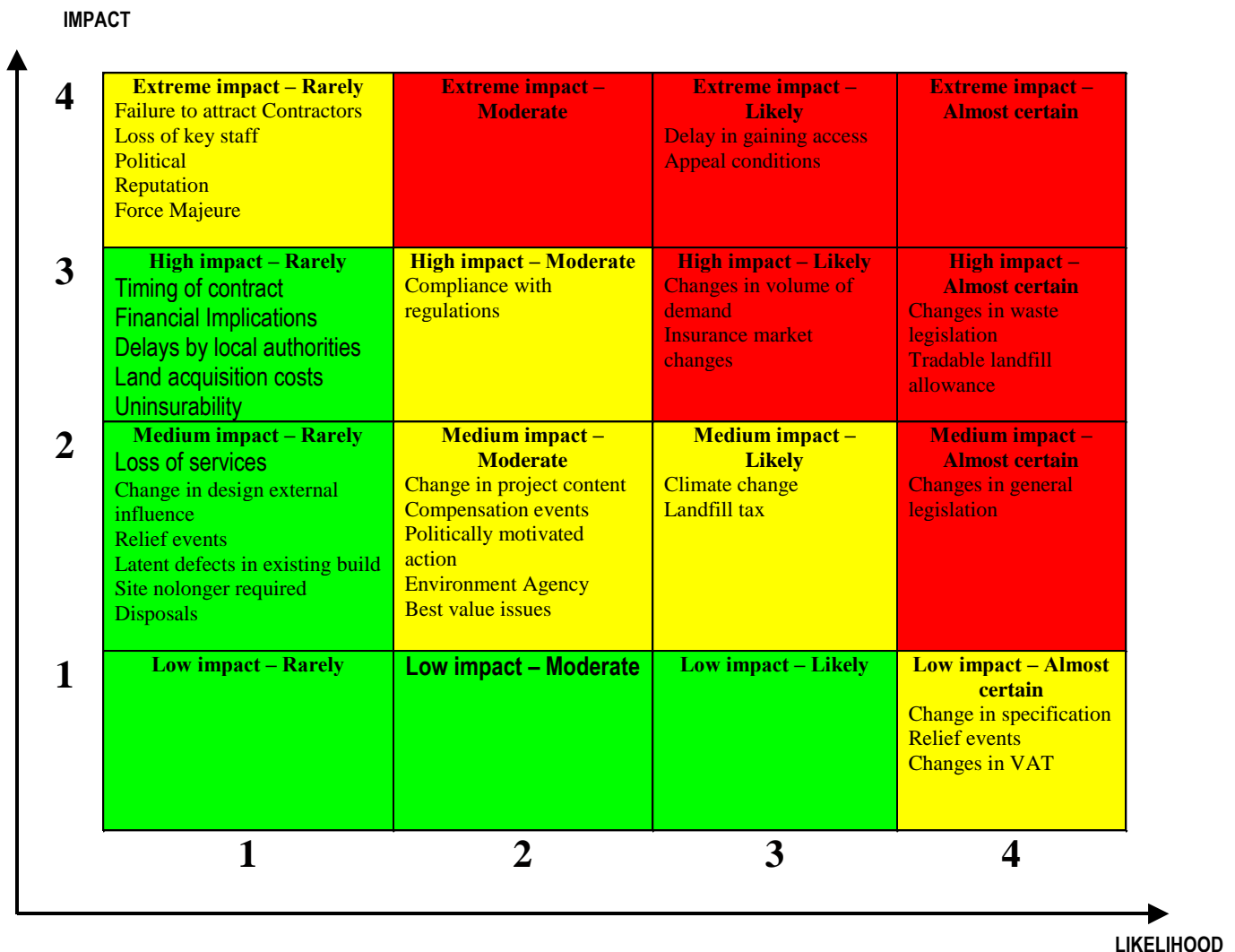
Risk assessments were produced using the following two stage risk assessment framework and risk matrix. Risks are either Red, Amber or Green.

The following figures outline an example of how the risk assessments are carried out from both a gross risk and a net risk perspective and the risk management position as of May 2004.

	Risk	Cause/Trigger	Consequences	Gross Rating			Net Rating				
				Likelihood	Impact	Score	Controls	Likelihood	Impact	Score	Coding
1 (a)	<b>Overall Project Risks</b>	Failure to attract Contractors/ Market Place	Possible Contract failure Changing basis of contract	2	4	8	Good PFI Package	1	4	4	<b>A</b>

### Waste PFI Risk Matrix

(May 04) To be reviewed on three monthly cycle



Areas of risk were identified by the Risk Management Panel along with their causes/triggers and potential consequences. From this a gross rating assessment is carried out in relation to their initial impact using a rating score of 1-4. This produces a gross rating score of between 1-16 [4x4]. A review is undertaken as to the level of controls and mitigation factors that are currently in place to manage or offset this risk. From this a net rating assessment reviews the capability of reducing either the likelihood or impact of the risk also based on a score of 1-16. The final likelihood and impact figure is plotted on a Risk Matrix to produce an overall risk coding for the particular risk.

This process is based on the Council's strategic approach to risk assessment, mapping and recording and overlaps with the Risk Matrix provided at ISOP. There is a governance process that exists to ensure that risks over a certain level are cascaded up into the Council's Senior Management Team. Risks with a net rating of 9 or above are reviewed by the Council's Chief Executive, Corporate Directors, Section 151 (Head of Finance) Officer and Monitoring Officer (Head of Legal and Electoral Services).

All risks that have a amber or red risk code warrant further consideration and/or action.

An action plan is produced to assess how that risk is managed and where the ownership of this risk lies.

From this process, and throughout the procurement the main areas of risk that have been identified are listed below:

- Construction
- Planning
- Demand
- Regulatory
- Taxation
- Insurance
- WBC acquiring land for project
- Contaminated land on preferred site

As the project progressed the risk profile has changed as risks were managed along with further areas of risk being identified. Current and additional areas of risk were be identified through the Risk Management Panel.

Site and planning risks are considered to be the most significant area of risk to this project. On award of PFI credits the Council was asked to mitigate the risk to sites and planning. The Council responded to this by undertaking a site selection exercise in 2002 & 2003 which culminated with a site at Padworth Sidings being selected as the Council's preferred site in November 2004. The Council initially commenced with a generic planning application to provide a site with suitable planning for generic waste management uses. This was undertaken in the initial stages as there was a number of contractors bidding for the project. Two companies were invited to submit Best and Final Offers for the project in September 2005. **[INFORMATION**

**WITHHELD].** Since then the Council and the single bidder (Veolia Environmental Services) have worked on developing the bespoke use of the site and a detailed planning application will be submitted in May 2008.

### 5.3 Risk Allocation Matrix

The Risk Allocation Matrix in Appendix 14 displays how risk allocation has changed between OBC submission and ITN documentation. The current risk management matrix is embodied within the Project Agreement.

### 5.4 Project Agreement

The ITN for this Project was issued in 29 November 2004 and therefore it adopted the position set out in SoPC3, as amended by the 4ps Waste Procurement Pack, and more recently, the PUK Waste Derogations. As Preferred Bidder was achieved prior to April 2007, the Agreement has not adopted SoPC4 wholesale. However, it has included elements of SoPC4 where both the Authority and the Preferred Bidder considered it appropriate to do so. Accordingly, table in Appendix 22 sets out only those elements which derogate from both SoPC3 and 4 where such derogation is not prescribed by the 4ps Waste Procurement Pack or the PUK Waste Derogations document.

### 5.5 Payment Mechanism

The Payment Mechanism, together with the Financial Model determines the payments that are made to the Contractor for the provision of services under the contract. This section provides an overview of the principles and key components of the Payment Mechanism and examines how key operational risks are managed within this mechanism. A copy of the Payment Mechanism is included within Appendix 13.

#### 5.5.1 Key Principles

The principles of the Payment Mechanism for the West Berkshire project are consistent with those underpinning the standard guidance contained within the 4Ps Waste Management Procurement Pack. The Payment Mechanism is based on a Unitary Charge (in that it combines an element of repayment in respect of both capital and revenue costs) payable in conjunction with a series of performance standards and targets, with adjustments to the Unitary Charge if these performance standards are not attained, or are exceeded. The mechanism manages the risk to the Council associated with three key inter-related contract objectives of (i) recycling and composting performance; (ii) diversion performance (related to absolute LATS tonnage targets); and (iii) recovery performance (related to diversion of active waste from landfill). The principles of the Payment Mechanism are to:

- ensure that the Council only pays for services when they are delivered by matching the level of payment with the associated provision of infrastructure and consequent increases in Recycling, Recovery and Diversion performance. Step up in payments, defined in the Payment Mechanism as Incremental Services Charges, are linked to the completion of the Facilities;

- provide positive incentives for waste minimisation activities undertaken by the Contractor;
- match the payment streams to the Contractor's underlying cost drivers in order to maximise financial efficiency and to improve the Value for Money of demand risk transfer to the Contractor;
- incentivise behaviour that is consistent with the waste hierarchy by providing positive financial incentives to the Contractor to exceed forecast recycling, recovery and diversion performance levels by making bonus payments that are linked to the financial benefits that will accrue to the Council as a consequence. Performance obligations step up, where applicable, on the basis of the completion of project infrastructure and the capacity of the Contractor to manage operational risk; and
- provide incentives for the Contractor to correct any failures as rapidly as possible and for the Contractor to accept, within bounds determined by Value for Money, the financial exposures that would have otherwise been borne by the Council as a consequence of Contractor under-performance in regard to recovery and diversion.

### 5.5.2 Payment Mechanism Overview

Under the terms of the Payment Mechanism, the Council will pay a Unitary Charge to the Contractor. Payment of the Unitary Charge is subject to the indexation provisions within the Payment Mechanism. Importantly, an element of the Unitary Charge, currently, is not indexed, representing the capital financing costs of the project.

Indexation is not linked to specific indices on which the Contractor has based its costs, and therefore the Contractor bears the risk that its actual costs may vary by a different factor to that assumed in the Contractor's financial model.

The Payment Mechanism has been designed in order to link payments made by the Council to the Contractor for the service provided. The Unitary Charge will vary depending upon the level of performance achieved by the Contractor with the Council only paying for performance as it is achieved. The Payment Mechanism incentivises the Contractor to exceed its forecast level of performance by offering bonus payments based on the Contractor reducing the amount of contract waste it sends to landfill (saving the Council landfill disposal costs) and exceeding the recycling and composting levels it has forecast to achieve. Furthermore, the Payment Mechanism has been designed so that the Council's exposure to landfill costs has been limited, in order to prevent the Council suffering financially due to poor performance by the Contractor.

The Unitary Charge will be paid on a monthly basis from contract commencement.  
**[INFORMATION WITHELD]**

The Monthly Unitary Charge in respect of each payment period comprises the following elements:

- The Monthly Unadjusted Unitary Charge;
- The Monthly Landfill Payment;
- The Property Adjustment Payment (when appropriate);

- The Pass Through Costs;
- The Waste Minimisation Payment;
- The Non Key Services Payment;
- The Royalty Payment;
- The Performance Deductions Sum; and
- The Interim Residual Waste Weekly Collection Service Payment.

The Monthly Unadjusted Unitary Charge represents the rate charged by the Contractor for services provided. This charge is made up of three discreet charges:

- the Base Services Charge;
- the Incremental Services Charge; and
- the Padworth Charge.

The Base Services Charge will be paid from the start of the contract and may be subject to performance and unavailability deductions for any shortfalls in the services and/or availability of these facilities. This also applies to the Incremental Services Charge and the Padworth Charge.

The Incremental Services Charge represents the step up in the Unitary Charge associated with the commencement of the Padworth facility (incorporating the successful completion of the HWRC, IVC and MRF plant). Any delay in the planned operation of this key facility will result in a delay in the payment of the Incremental Services Charge.

The Padworth Charge shall be paid by the Council to the Contractor in the Contract Month immediately following Commencement of the Construction Period. The Padworth Charge represents the sculpting of the Unitary Charge in the early years of the Contract to provide the Council with flexibility in funding the initial Unitary Charge Payments to satisfy the Council's budgeting requirements.

The Monthly Landfill Payment (with an associated annual Landfill Reconciliation Payment) is intended to reimburse the Contractor for its forecast landfill costs incurred, though landfill costs are only reimbursed to the extent that the Contractor has already met the guaranteed diversion performance. As such the Contractor is incentivised to divert waste away from landfill through improved recycling, composting or recovery.

The Payment Mechanism includes a number of adjustments which will adjust the payments made to the Contractor within the relevant Contract Year to reflect any additional costs incurred or savings arising from the following:

- Increases or decreases in the number of Properties which Contract Waste is collected when compared to the forecast levels; and

- Variations between the actual and forecast volume of Contract Waste processed by the Contractor under the Contract.

A revenue share mechanism has also been incorporated within the Payment Mechanism which allows the Council to share in excess revenue generated from the sale of recyclables, where these are greater than the forecast levels. At the same time, the Contractor is encouraged to divert waste away from landfill through bonus arrangements that share the benefit of landfill savings and any surplus income arising from landfill allowance trading.

### 5.5.3 Approach to Key Operational Risk Areas

The Payment Mechanism addresses three principal risk areas:

- Demand risk
- Recyclate and other income risks; and
- Performance risk.

These are considered in greater detail below:

### 5.5.4 Demand Risk

**[INFORMATION WITHHELD]**

### 5.5.5 Recyclate and Other Income

**[INFORMATION WITHHELD]**

### 5.5.6 Performance Risk: Payment Mechanism (Downside)

**[INFORMATION WITHHELD]**

### 5.5.7 Performance Risk: Payment Mechanism (Upside)

**[INFORMATION WITHHELD]**

### 5.5.8 Performance Risk: Payment Mechanism

The Payment Mechanism is complemented by the Performance Management Framework, a copy of which is included in Appendix 15.

The Performance Management Framework sets out a deductions regime to deal with instances of unavailability or non-performance, as measured against performance criteria, where the consequences of failure are not explicitly related to recovery and/or diversion performance driven financial exposures and hence are not reflected in the payment mechanism. The Contractor must monitor and record its performance in respect of the service delivery plan and notify the Council of any failure. Any deduction from the unitary charge is based on the failures accrued in the relevant monthly period.



The Performance Management Framework (PMF) consists of **[INFORMATION WITHHELD]** contractual performance standards taken directly from the Contract Specification. Each of these standards covers an individual part of the service delivery, for example emptying waste receptacles and street cleansing. If the contractor fails to achieve any part of the service, they will be issued with a rectification notice that gives a stated period for the contractor to correct the failure. Should the contractor then fail to do so within the stated period, the PMF will deduct a financial penalty from the contractors Unitary Charge payment. Ultimately these deductions could lead to termination of the Contract due to failure in performance.

### 5.6 Markets for Process Outputs

[INFORMATION WITHHELD]

### 5.7 Balance Sheet Treatment

#### 5.7.1 Introduction

The Council in conjunction with its financial and technical advisors (Ernst & Young LLP and Entec, respectively), has carried out a full analysis of the key risks inherent in the project and allocation of those risks between the parties to the transaction. The results of this analysis can be found at Appendix 14 to this FBC.

In September 1998 the Accounting Standards Board (“ASB”) produced an Application Note (“AN”) for applying FRS5 on PFI Transactions. Following this the Treasury Taskforce issued a revised Technical Note ‘PFI Technical Note Number 1 (Revised)’ (“the Technical Note”) to “provide additional practical guidance on the following areas of the AN to ensure the overarching principles of the AN are consistently applied”. The Treasury provided the Technical Note as a means of interpreting the ASB Application Note and FRS 5 so that it is consistently applied across public sector bodies. The Technical Note also provides guidance on practical application of the application note and FRS 5. The Technical Note is mandatory for all entities preparing accounts in accordance with the Resource Accounting Manual and, although the use of the Technical Note is not compulsory for local authorities, it is acceptable. The Technical Note has been approved by the Financial Reporting Advisory Board to the Treasury, and as such forms part of the established accounting guidance on PFI projects.

The UK Government recently announced that government departments and other entities in the public sector will prepare their financial statements using International Financial Reporting Standards (‘IFRS’), as adapted as necessary for the public sector, from the financial year 2008-2009. Accordingly, it is likely that the Council will be required to prepare its accounts under IFRS from 2008-2009. However, as there is currently no specific IFRS standard or guidance that will apply to the public sector for this type of transaction and as any adaptations to IFRS necessary for the public sector have not yet been published, it is not possible at present to clearly set out the accounting required for the transaction under IFRS by the Council. This paper does not therefore discuss the potential accounting for the transaction under IFRS, although the Council is aware that HM Treasury is currently considering how IFRS should be applied to PFI Contracts within the UK.

A summary of the key conclusions is as follows:

- The qualitative assessment indicates an off-balance sheet position as the balance of risk lies with the private sector;
- The quantitative risk analysis, based on the probability analysis of the risks provided by the Council’s technical advisers, supports the outcome of the qualitative analysis and indicates an off-balance sheet position; and
- The overall judgement after weighing up the qualitative and quantitative indicators is that the balance of risk exposure indicates in favour of an off-balance sheet accounting treatment by the Council.

### 5.7.2 Council's Opinion

The Council's s151 Officer has taken external professional advice in forming their view of the application of the appropriate accounting treatment in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: a statement of Recommended Practice. As is custom and practice they have considered the scheme's accounting treatment under FRS5 Reporting the Substance of Transactions and its Application Note F - PFI and similar Contracts as interpreted by the Treasury Technical Note 1 (Revised) - Accounting for PFI Transactions.

The Council's s151 Officer has concluded that there is no requirement to recognise a new asset on the Council's balance sheets as a result of this contract. This proposed off-balance sheet treatment of the transaction is consistent with that adopted for similar local authority waste PFI projects.

### 5.7.3 Auditor's Opinion

The Council's auditors have been asked to comment on the Council's view of the accounting treatment of this transaction. Based on the information presented (Appendix 16, the auditors have stated that they are not minded to challenge the Council's proposed accounting treatment. A letter provided by the Council's auditors, KPMG in support of these statements is included at Appendix 18.

## 6. Project Team and Governance

### 6.1 Introduction

On the commencement of the Project in March 2004 and the posting of the Council's intention to procure and integrated waste management contract through the EU OJEU notice the Council put in place robust governance arrangements to oversee and deliver the procurement.

West Berkshire Council has a Municipal Waste Management Strategy for the district which was adopted in 2002 which recognized the needs of the Unitary Authority in terms of its statutory responsibilities for waste collection, waste disposal; and principal litter responsibilities. The waste strategy and supporting work recognized the need to modernize the service and recommended an integrated approach which brought together the current disparate waste services that are managed currently through 16 separate waste contracts. Under the new Integrated Waste Management Contract all waste collection, waste disposal and municipal services are to be managed as one single contract. Current service complexities arise at the interface of these separate current contracts and the new service will be delivered as one service thus minimizing service complexities. Financial exposure is minimized through the new contract as the Unitary Charge is a single payment made to the contractor with a relatively predictable inflation index based on RPIx.

This is a stand-alone project that serves the district of West Berkshire as a Unitary Authority and thus does not involve any partner arrangements with other neighbouring authorities and therefore the proposed service and infrastructure will guarantee West Berkshire's waste management future.

At the start of the procurement the complexity of structuring a single waste management contract for West Berkshire was recognized by establishing an internal team of staff across a dedicated finance, legal and waste technical disciplines. Lead officers for each discipline work full time dedicated to the project. This is to ensure that the complexities and overlaps are effectively managed.

### 6.2 Legal Context

The Council has statutory duties under the Environmental Protection Act [EPA] 1990 relating to waste management. Key statutory duties are:

Waste Collection Authority [WCA] Under Section 45 of the EPA it is the responsibility of the Waste Collection Authority to arrange the collection of waste arising within its district.

Waste Disposal Authority [WDA] The disposal of waste arising from collection under is detailed under Section 51 of the EPA. The WDA must also make provision for a Civic Amenity Site for local residents, such facilities under the new waste contract are referred to a Household Waste and Recycling Centers [HWRC's]. There is currently one primary HWRC which is located at Newtown Road and a secondary dedicated recycling centre being

proposed at the Council's preferred site at Padworth Sidings.

Principal Litter Authority [PLA] The authority has duties under Section 89 of the EPA to arrange for the effective management of litter and to ensure compliance with the Code of Practice for Litter and Refuse.

These are the main statutory waste management responsibilities discharged under his new waste contract.

The contract let will be certifiable under the Local Government (Contracts) Act 1997 and the tendering procedure has been carried out following the statutory process detailed below:

### 6.2.1 Statutory Proposals and Approvals

The statutory process to secure the contract has been pursuant to a number of regulatory regimes:

- The Public Services Contracts Regulations 1993
- S18-21 EPA Sch 2 part II
- The Councils' Constitution, contract rules of procedure, standing orders and codes of practice

The process followed has been:

- EC/ Trade Adverts (OJEC)
- PQQ
- Expressions of Interest and initial Shortlisting
- Industry Day
- Invitation to Submit Outline Proposals
- Evaluation and Shortlisting
- Invitation to Tender
- Evaluation and further Shortlisting
- Best and Final Offers
- Evaluation
- Revised Best and Final Offers
- Evaluation and Selection of preferred bidder
- Ongoing detailed negotiations prior to proposed Award of Contract scheduled for January 2008.

The evaluation of bids at all stages was undertaken to a predetermined methodology and within a rigid and structured regime to ensure fairness of competition.

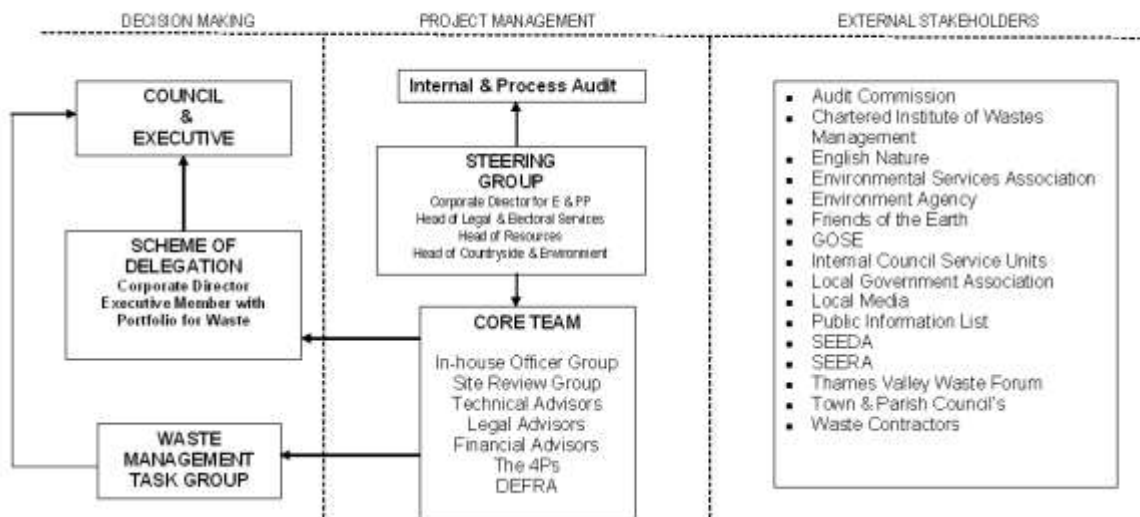
6.3 Project Governance

Completion of the new contract process, within the timeframe necessitated a governance structure for Officers and Members within the Council to manage and support the process, including the involvement of stakeholders. A key aspect of this is the Council’s decision making process for the contract which was setup prior to procurement to put in place the overall governance arrangements.

The decision making structure chart is outlined below and defines the reporting responsibilities for project management, including the Steering Group, Core Team and the external influence of stakeholders on this project should local, regional or national drivers be affected. It also outlines the reporting responsibilities for the project into the formal decision making process of Waste Management Task Group and the Council’s Executive. Further detail on Waste Management Task Group and Waste Steering Group are also provided. The final decision on award of contract is scheduled to presented to the Full Council for final approval.

Figure 4 Governance Structure for the PFI Project

APPENDIX 1 GOVERNANCE STRUCTURE FOR THE PFI PROJECT



### 6.3.1 Waste Management Task Group

Membership of the Group consists of Administration Members of Council and Opposition Members along with Officers of the West Berkshire PFI Project Team. Membership of task group is reflective of the proportionality of Council political control and currently consists of 4 Members from the Administration and 2 Members from the Opposition:

The terms of reference for Waste Management Task Group are to consider the future of waste disposal/management in West Berkshire including:

- Waste collection
- Waste disposal
- Waste recycling
- Waste re-use
- Waste minimisation
- Street cleansing
- Civic Amenity Site provision
- Education (in relation to waste disposal/management best practices for household, commercial and industrial wastes)
- Publicity (in relation to Waste Disposal/Management best practices for household, commercial and industrial wastes)

### 6.3.2 Waste Steering Group

Waste Steering Group was established at commencement of the procurement to oversee the project from a chief and senior officer perspective. The Waste Steering Group is the Project Board for this contract and consists of the following key chief offices:

Project Sponsor [Corporate Director – Environment] - Chair

Project Director [Head of Countryside & Environment]

PFI Project Manager [Waste & PFI Project Manager]

PFI Finance Officer

Monitoring Officer [Head of Legal & Electoral Services]

Section 151 Officer [Head of Finance]

Other Senior officers involved include:

PFI Technical Officer

PFI Legal Officer

Asset Development Manager

Project Manager - Engineering

### 6.3.3 Liaison Committee

After financial close the Project Agreement requires the establishment of a Liaison Committee which will be established and maintained through the duration of the contract. This committee will consist of four representatives of the Council, one of whom will be appointed chairman and four representatives from the contractor. The functions of the liaison committee will include:

- Meeting every six months
- Joint review of issues relating to the performance of the contract
- Forum for strategic discussion
- Discussion on potential variations to the contract
- Consider recommendations to the parties

## 6.4 Project Management

The West Berkshire PFI Project Management Team consist of the following team Members:

Project Sponsor [Corporate Director – Environment]

Project Director [Head of Countryside & Environment]

PFI Project Manager [Waste & PFI Project Manager]

PFI Finance Officer

PFI Technical Officer

PFI Legal Officer

The Project Manager, Finance Officer and Legal Officer have been with the project since the commencement of the procurement. The Project Manager has a dual role of managing the PFI contract process whilst also managing the day to day delivery of the waste services to ensure service continuity and overlap to reflect the requirements of the Council and the new contract.

Prior to the commencement of the procurement there was a dedicated Project Manager who worked within the Council until January 2003 alongside the Waste Manager however these roles were later combined. The Council undertook to recruit additional resources but were unable to appoint a suitable candidate due the skill set



required. As a result of this the Council has relied heavily of external advice from its consultants.

The core project team therefore has been relatively consistent within the Council over the duration of the procurement. During procurement there has been two separate Project Officers. unfortunately both have either left the Council or are in the process of leaving. This has added to a certain level of resource instability and loss of skills and knowledge.

The roles of Project Manager, Finance Officer, Legal Officer and Technical Officer are scheduled to remain with the Council through the management of contract close and the transition period into operations therefore a high degree of succession management have been taken into account to ensure minimal skill loss. This approach is consistent with guidance produced by HM Treasury's Operational Task Force Note No 2 – Project Transition Guidance which identifies appropriate arrangements need to be in place for project transition from procurement to transition to operations. By ensuring that the core members of the team remain on the project through to transition and operations ensures that the skills are maintained within the Council.

A revised staffing structure is currently being developed within the Waste Management Team to take account of managing the new contract. This will reflect the nature of the services being provided. It is intended that this new structure will closely reflect the structure of the project to enable the roles and responsibilities to be aligned to the service.

The Project Team are an integral part of the governance arrangements outlined above and form the central work base for the project. The majority of the team also form part of Waste Steering Group and Waste Management Task Group which are the central bodies to the governance arrangements. This ensures a smooth flow of relevant and up to date information into the governance and decision making process. The Project Manager also hols regular detailed briefings with the Executive Member for Waste who is actively involved in all aspects of the project.

### 6.5 Advisers

A team of external advisors were appointed by the Council to assist in the development and implementation of the Council's Integrated Waste Management Strategy. The advisors and their roles are outlined below:

Entec UK Ltd	In 1999 the Council appointed Entec UK Ltd as technical consultants to assist the Council in preparing its Waste Management Strategy. Entec have therefore been in place as part of the team since the commencement of the procurement.
Ernst & Young	Appointed in 2002/2003 to assist the Council on all waste related financial matters. E&Y were involved at the initial stage of preparing and submitting the Outline Business Case to DERA and were retained as financial advisors for the

procurement process to financial close. E&Y have therefore been in place as part of the team since the commencement of the procurement.

Bevan Brittan Appointed in 2003 to assist the Council on all waste related legal matters. BB have been involved in the procurement of the PFI contract up to contract close. BB have therefore been in place as part of the team since the commencement of the procurement.

WIDP/4P's Throughout the procurement external transaction support to the Project Team has been provided by the 4P's and latterly, by the Waste Implementation and Development Programme at DEFRA.

Throughout the appointment of the advisers there has been a continued turnover of staff within all the advisors, with key lead advisors specifically from legal and financial being replaced on the project.

The initial bids and projected advisor costs have materially changed from that envisaged at commencement of procurement. The project has had to react to a number of additional issues that have arisen throughout the procurement such as:

- potential change in preferred site – further site related works;
- political change of power;
- further review of strategy and options following change in political power;
- affordability pressures – value engineering process;
- **[INFORMATION WITHHELD]**
- protracted procurement due to poor submission and responses at BaFO stage;
- single bidder procurement – procurement strategy review;
- introduction and evaluation of a BaFO stage;
- introduction of replacement Household Waste & Recycling Centre [HWRC].

The Council is preparing for the transitional arrangements from procurement into operations which is planned for 2008/2009. The Council anticipates retaining both its technical, legal and financial consultants in varying capacities for a three year

duration up to 2011. This is to manage the initial stages of implementation of the new contract up to the projected date for construction of waste facilities at Padworth.

## **7. Sites, Planning and Design**

### **7.1 Introduction**

On award of PFI credits the Council was instructed by DEFRA to mitigate the risk surrounding sites and planning and as a result sought to identify a suitable site/s for the location of waste facilities. One of the primary risks to the Council was the suitable replacement of waste facilities, this risk has been ongoing since 1999. Alongside the procurement of the IWMC the Council has sought to mitigate site and planning related risks by identifying suitable sites and working to acquire them in support of the IWMC.

**PADWORTH SIDINGS:** The Council adopted Padworth Sidings in November 2004 as the preferred site for the location of the main facilities for this project. At the time of selection the Council was minded to use compulsory purchase powers to acquire the site is needed.

**NEWTOWN ROAD:** The Council has identified land at Newtown Road for the location of its replacement HWRC when the existing facility comes to an end in September 2008. The current site at Pinchington Lane is provided under contract with the incumbent contractor – Biffa Waste Services and the provision of the site and services ends in September 2008. The existing facility has received approved planning permission in 2007 for housing provision. As a result the landowner has entered into a Development Agreement with the Council to re-provide the HWRC at the Newtown Road location at the developers cost. The replacement HWRC facility is planned to become operational by October 2008 and will be operated under the IWMC.

### **7.2 Site Identification**

Padworth Sidings will be used for the Integrated Waste Management Facility. On this site the following facilities will be located:

- MRF for cleansing the paper and card and cans and plastics
- IVC to compost garden and kitchen waste to ABPR compliance
- Transfer station, to bulk residual waste for transfer to EFW or landfill
- HWRC for recyclables
- Visitor Centre
- Vehicle depot
- Welfare facilities for staff
- Weighbridge

Newtown Road Newbury will house West Berkshire's new Household Waste Recycling Centre for the east of the District. This facility is not part of the integrated contract, but is integral to waste management in West Berkshire and will be operated by VES.

### 7.3 Securing the sites

The Council has been in protracted discussion to acquire the site and are currently in negotiations with land agents with a view to securing the site via direct treaty. These negotiations are ongoing. The site is owned by the British Rail Board (Residuary Ltd.), a subsidiary of the Department of Transport. The site is allocated in the Waste Local Plan and emerging Local Development Framework as a preferred area for waste management. This site is mainly disused and is listed on the Council's contaminated land register. The Council is also pursuing a formal resolution to use compulsory powers to acquire the site if needed to protect the use of this site by the Council for waste use in support of this project. The Padworth Sidings site has been the Council's preferred site since November 2004 and all aspects of the project has reflected the preferred use of this site. Throughout the duration of the procurement the Council has also undertaken additional site selection work to re-test its site selection assumptions and has considered alternative sites, however the site at Padworth Sidings remains the most suitable and appropriate for this contract. The proposals submitted by VES at both BaFO and Preferred Bidder stage reflect the use of Padworth Sidings.

### 7.4 Planning Health Framework

Under the IWMC the VES is responsible for the preparation and submission of a planning application. On the current timetable this application is projected to be submitted to the planning authority in September 2008. VES has had initial pre-application discussions with the planning authority, although not to the extent expected by a major developer. The Council has on numerous occasions encouraged VES to enter into more proactive discussions with the planning authority to ensure that the design of the site and facilities is reflective of local, regional and national planning policy guidelines.

The balance of risks remaining at the FBC stage is reflective of the special site conditions of Padworth Sidings, affordability constraints on the project and the concerns that VES has over the costs of planning conditions not accounted for in the BaFO submission. Both parties are looking for suitable protection from these risks being transferred into additional costs on the project. This has been a major area of concern and debate from both sides over the past twelve months of the project.

The Council is satisfied that it has reached an appropriate position on how these outstanding risks are managed and presented within the contractual documents.

The key outstanding risks around sites and planning are outlined within Section 5.

## 8. Cost, Budgets and Finance

### 8.1 Introduction

This section gives details of the current version of the financial model proposed by VES and its comparison to the sources of funding identified by the Council. It also demonstrates Value for Money of the project by reviewing the assertions made at the OBC stage and undertaking a Stage 3 Procurement Level Assessment.

#### 8.2.2 Indexation

VES were required to assume RPI at an annual inflation rate of **[INFORMATION WITHHELD]** for the indexation of the Unitary Charge in the BAFO instructions, which has been modelled in the submission of FBC.

#### 8.2.3 Operating Costs

Operating costs are defined as those costs occurring during the operating period of the project (i.e 24.5 years from service commencement) and include direct treatment and disposal costs as well as overheads. The table below provides a breakdown of the nominal operating cash flows over the life of the project.

Table 8.3 Analysis of the Nominal Operating Costs

<b>[INFORMATION WITHHELD]</b>		

### 8.2 Funding

### 8.3 Affordability Analysis

A full affordability analysis was undertaken as part of the development of the OBC to determine the affordability of the Reference Project to the Council. The conclusion of this analysis was that the Council would need to commit to the provision of significant additional resources for waste management if new sustainable solutions were to be delivered, even if the Council was in receipt of PFI Credits. The analysis also demonstrated that a PFI option, would be significantly cheaper than continuing to rely upon landfill, and would also ensure the Council's ability to deliver the objectives of the Waste Strategy, meet wider national targets and deliver high levels of recycling and composting.

At the Council's 'base case' waste growth scenario and at the Contractor's forecast performance levels, the Unitary Charge (taking account of inflation at 2.5%pa) over contract term is. This amount includes the Council's liability for Landfill Tax, which will be paid by the Contractor on behalf of the Council, but excludes potential revenue from the sale of LATS. A full analysis of projected Unitary Charge payments is included within Veolia's Financial Model (Appendix 17).

In demonstrating the affordability of the project as a whole, in addition to the comparison of VES to the Reference Project (discussed as part of the Value for Money assessment) this section updates analysis conducted in the course of the procurement process in order to indicate the continuing affordability of the VES solution.

**Detailed Affordability Analysis**

A summary of the Affordability model is shown below and the full model is included within Appendix 19.

Table 8.4 Summary Affordability Model


The estimated project cost is marginally above the existing level of resources (less than 1% on nominal cash flows) and can be accommodated within future budgets of the Council. [INFORMATION WITHHELD]

The various elements of the Affordability model are considered below:

**8.4.1 Projected Authority Budgets (Existing)**

The £330m nominal budget figure represents the Council’s current budgets for Waste Services that will be available to support the PFI contract. They are the budgets for the current financial year 2007/08 and are detailed in Appendix 20 to this paper. The significant service areas funded by the Council’s existing budget are:

- Recycling;
- Refuse Collection;
- Landfill;
- HWRCs; and
- Street Cleansing.



The budget profile has been adjusted to reflect the timing of their incorporation into the Integrated contract, and from the 2007/08 base have been projected through the 25 years of the contract at 2.5% pa to produce a nominal budget of £330m. The effect on the PFI project of the Landfill Tax increases announced in the 2007 Budget have been recognized within this figure. This is estimated at £6m over the life of the contract and compares to a figure of £20m that would be required if landfill continued at its existing levels. In addition to the landfill tax liability, landfilling at the current level would, over the same period as the PFI contract, result in a LATS deficit of over 700,000 tonnes. Purchasing permits at £30 per tonne to cover this would result in a cost of £21m. At the current price limit of £150 per tonne; this would increase to £105m.

### **Projected Authority Budgets (Additional)**

At its meeting on the 8<sup>th</sup> May 2002 the Council confirmed its support for the submission of the OBC. The conclusions and recommendation from that meeting are reproduced below:

- the financial analysis in the OBC demonstrates that support from Defra, by way of PFI Credits, will reduce the financial impact of the changes in waste management by the Council in delivering a value for money waste management service
- the cost of the status quo is more than the Preferred Scenario reflecting that it generates no additional revenue grant from the government and includes the financial burden that comes from high levels of landfill. It should also be noted that the status quo presents the greatest risk in respect of any financial impact associated with the introduction of tradable landfill permits
- the Executive confirmed that, if granted PFI Credits, it would build the financial effect of the contract into future budgets.

This commitment has been reflected in the Council's Medium Term Financial Strategies, where since the financial year 2006/07, specific increases in revenue funding have been allocated to Waste Services to ensure that the financial effect of the PFI contract can be accommodated without distorting the overall financial management of the Council

#### **8.4.2 PFI Credit Payments**

The Council was notified in June 2003, as part of the approval of the OBC, that it would receive a PFI Credit allocation of £23.74m which was based on the estimated capital investment within the Reference Project. Following a review of the project costs in 2004, this allocation was increased by 20% to £28.49m (Defra letter 2/12/2004). The total capital cost of the Reference Project was estimated at £36.25m with a Notional Credit Approval (NCA) of £28.5m. The capital investment within the proposed PFI contract is shown in section 8.2.1 above.

Following the changes to the PFI Grant regime in 2005-06, the Council notified the then ODPM that it wished to retain the option of using either of the payment methods (annuity or declining balance) and this has subsequently been confirmed by the Department of Communities and Local Government (email 8/2/2007). In addition, it has also been confirmed that the Council's grant will commence on financial close

and that an interest rate of 6.3% is to be used in its calculation. The Grant calculation used in the Affordability model is the Annuity method applied from a start date of the 1<sup>st</sup> February 2008 and a contract end date of the 30th September 2032. This produces a total grant of £56.77m with an annual annuity of £2.309m.

### 8.4.3 LATS Strategy

The base case Financial Model shows BMW landfill less than the LATS allowances available under this contract. A surplus of 66,300 tonnes has been assumed in the affordability model and this, using an estimated sale price of £30 a tonne, produces additional revenue of £2.0m. The Council does have an existing strategy for managing LATS, which is to bank any surpluses prior to the commencement of the PFI contract. The post PFI strategy will be developed during 2008/09 in light of the increased awareness of the trading conditions relating to the market for LATS permits.

### 8.4.4 Recyclate Income

The FBC Financial Model includes Recyclate Income guaranteed by the Contractor of) **[INFORMATION WITHHELD]**. Although the Payment Mechanism includes for **[INFORMATION WITHHELD]** shared income (less marginal costs) over and above the levels guaranteed, no recognition of this incremental income has been made in the Affordability Model.

### 8.4.5 Landfill Tax

The FBC financial model includes for the levels of Landfill Tax as announced in the 2007 Budget, and these are shown below:

Table 8.6 Landfill Tax

Landfill Tax Rates	£ per tonne
<b>Period Ending 31st March</b>	
2009	32
2010	40
2011	48
2012 onwards	48

### Landfill Costs

The landfill costs shown as being paid by West Berkshire Council are the tax and gate fee of the Council's contract with WRG, which will continue through to the 30<sup>th</sup> June 2009. It was not possible to assign this contract to VES, so payment will continue to be paid by the Council until the expiration of this contract. The estimated cost for this period is based on the levels of landfill forecast within VES's financial model.

### Contingency

**[INFORMATION WITHHELD]**

### 8.4.7 Client Costs

The current budget for client costs, including Recycling Officers,. The structure for clienting the PFI contract is under review but will not require any additional Council funding. Any increased client requirements will be funded from existing budgets.

### 8.4.8 Affordability Risks

The risks to the affordability model summarized in Table 8.4 above are:

**[INFORMATION WITHHELD]**

In addition there are specific risks that arise in respect of the availability of the Padworth site. These are:

**[INFORMATION WITHHELD]**

### 8.4.10 VfM Assessment

#### **Introduction**

PFI projects must demonstrate Value for Money over alternative procurement options. The focus of the FBC is on the Stage 3 Procurement Level Assessment, which recommends the use of three ongoing checks on Value for Money:

- Quality of competition;
- Success achieved in transferring an appropriate level of risk; and
- Reasonableness and stability of the costs.

The Value for Money assessment contained in the Outline Business Case (“OBC”) in April 2002 utilised the guidance prevailing at the time in accordance with the 4Ps and Treasury Guidance and therefore was prepared prior to the development of the revised HM Treasury Guidance issued in August 2004. As the revised quantitative assessment methodology was not used in the OBC, the VfM was updated in December 2005 (West Berkshire Waste PFI Project – Procurement Review) to reflect the August 2004 Treasury Guidance for the purposes of demonstrating the ongoing validity of the PFI procurement route as a VfM option for West Berkshire.

In demonstrating the Value for Money of the project, this section:

- reviews the Value for Money assertion made at the OBC stage; and
- undertakes the Stage 3 Procurement Level Assessment, as per the HM Treasury guidance outlined above.

#### **Value for Money at Outline Business Case (“OBC”)**

In 2002, West Berkshire Council submitted an OBC containing a detailed Value for Money analysis in accordance with Treasury Guidance applicable at the time which concluded that procurement under the PFI route could offer value for money to the Council.

At the OBC stage, a Public Sector Comparator (“PSC”) was developed, which estimated the cost to the Council and risk assessment of its preferred waste management strategy solution which centred on the development of an Ecology Village, a centralised MRF and operation and management of CA sites and transfer stations. The PSC was compared to the projected costs of undertaking such a procurement using a PFI approach. The results of this analysis are shown in the table below.

Table 8.8: Value for Money of a PFI solution at OBC<sup>4</sup>

<b>[INFORMATION WITHHELD]</b>		

The OBC indicated that the PFI route was capable of offering Value for Money when compared to the PSC. The OBC estimates suggested a total present cost advantage for the PFI route of when compared to the PSC risk adjusted option.

**Procurement Level Assessment**

In line with the HM Treasury’s Value for Money Assessment Guidance November 2006, this section reaffirms the Value for Money Assessment assertion made at OBC, through a review of three main value for money drivers, namely:

- Quality of competition;
- success achieved in transferring an appropriate level of risk; and
- reasonableness and stability of the costs.

**Quality of Competition**

There has been a real competitive process in selecting VES as the Council’s Preferred Bidder. This section provides a commentary on the level of competition at key stages of the procurement process and documents steps taken to maximise and maintain competitive tension following the issue of the Official Journal of the European Union.

Table 8.9 below summarises the key stages of the competitive process:

Table 8.9 Key Stages of Competition

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<sup>4</sup> All costs are Uninflated and discounted at 6%

## WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE

Event	Narrative
<p>Response to Official Journal of the European Union (“OJEU”) Notice A strong competition ideally requires a number of well-qualified bidders. If the response indicates that this is not the case, then prima facie, optimal competitive conditions may be absent</p>	<p>Expressions of interest were received in response to the OJEU notice.</p>
<p>Pre-Qualification The Procuring Authority would ideally want to see a number of strong bidders pre-qualifying and will want to be satisfied that a sufficient number of these will submit bids</p>	<p>Nine applicants returned the pre-qualification questionnaire (“PQQ”) by the deadline. Of the eight PQQ’s, three were deemed ineligible on the grounds of financial standing. The remaining five were pre-qualified by the Council. These represented waste management companies with a strong UK waste management track record and good financial standing, and were regarded by the Council as a strong suite of bidders.</p>
<p>Invitation to Negotiate (“ITN”)</p>	<p>The ITN Stage involved a preliminary Invitation to Submit Outline Proposals (“ISOP”) submission prior to the principal ITN submission. Five bidders were issued with ISOP and four submissions were received from:</p> <ul style="list-style-type: none"> <li>• <b>[INFORMATION WITHHELD]</b></li> </ul> <p>The Council invited two bidders to participate in the ITN stage. The Council consulted with the bidders at the ITN stage to ensure that the contract documentation issued at ITN was in accordance with bidders expectations and would elicit complete and high quality responses.</p> <p>The ITN was issued on the 29 November 2004 and the Council received <b>[INFORMATION WITHHELD]</b>.</p> <p><b>[INFORMATION WITHHELD]</b></p> <p>Following an initial evaluation at the ITN stage and the uncertainty relating to the affordability of the proposals and the differences in the assumptions underlying the bidders proposals and the Reference Project, the Councils project team recommended the Council enter into a period of additional analysis, clarification and negotiation with the bidders.</p> <p>The objectives of the period of further analysis were:</p> <ul style="list-style-type: none"> <li>• To determine the potential to reduce the price of the bidders solutions to within the Councils affordability envelope;</li> <li>• To reassess the affordability envelope for the project in the light of continuing developments in the waste management market</li> <li>• To reconfirm the economic case for proceeding with the project; and</li> <li>• To develop a fall back position in the event that an appropriate agreement could not be reached with <b>[INFORMATION WITHHELD]</b> including the financial implications of such a fall back position</li> </ul>
<p>BaFO Any loss of a bidder, which is not a decision of the Procuring Authority, is a warning signal. If the competition is reduced to a single bidder through the loss of a bidder(s) (and not the decision of the Procuring Authority) the procurement will need to be reconsidered.</p>	<p>An invitation to submit a Best and Final Offer (BaFO) <b>[INFORMATION WITHHELD]</b>. It was confirmed in the BaFO documentation that the BaFO would be used as a further method of exploring the options proposed by the bidders in response to the Affordability Review Process. <b>[INFORMATION WITHHELD]</b>.</p> <p>In accordance with the HM Treasury Value for Money guidance, <b>[INFORMATION WITHHELD]</b>, the Council, assisted by its advisors, developed a strategy to consider whether to continue with the proposed procurement process (discussed below under the Procurement Review due to Single Bidder status).</p>

## WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE

Event	Narrative
	<p>Following a review of the Council's strategy by DEFRA, it was decided that it was likely to offer better Value for Money to the Council to continue with the procurement process and allow VES to submit a Best and Final Offer rather than to restart procurement. A protocol for the BaFO stage of the procurement was agreed with VES prior to reissuing the BaFO documentation.</p> <p>The Council received a BaFO bid submission from VES on the 4 July 2006. The total unadjusted cost of the project to the Council was.</p>
Post BaFO – Addendum Report	<p>Following a further series of clarification questions raised by the Council's project team and for the need to reflect a change in the project timetable in regards to a six month starting delay, a revised Invitation to Submit a BaFO was issued to VES on 24 January 2007. A BaFO submission was received from VES on 2 March 2007 and additional clarification questions were sent to VES. A Financial Model and Bid Forms were received on 23 March 2007 and these were used as a basis for comparison with the Initial Model.</p> <p>At this stage VES had submitted an unadjusted cost of.</p>

The Council has kept a competitive environment throughout the process which is summarised below:

- The output specification was designed to encourage competition and be attractive to a wide range of potential bidders. This was done by not specifying a particular technology, presenting performance targets as aspirational rather than the minimum requirement and identifying a potential site for facilities;
- the project attracted a high level of interest with 39 enquiries at the PQQ stage and a well attended industry day;
- four submissions were received at ISOP stage, all of which were from credible and established waste management companies; **[INFORMATION WITHHELD]**. The review of the ISOP submissions suggested that all the bids were capable of delivering the project from both a technical and financial perspective;
- **[INFORMATION WITHHELD]**;
- the two remaining bidders **[INFORMATION WITHHELD]** and VES were issued with ITN documents, including a full Project Agreement and Output Specification in November 2004. Responses to the ITN were received in April 2005. There followed a period of negotiation and clarification in which the details of the bids were revised to reduce costs and improve value and affordability;
- serious consideration was given to appointing VES as preferred bidder at this stage. VES had submitted a deliverable proposal that had been developed in

a competitive value engineered environment and was within the Council's ITN affordability envelope. VES are an experienced PFI bidder and it was noted that their proposals would be funded 'on balance sheet' which would reduce risks associated with project funding;

- however, rather than appointing VES as preferred bidder following ITN evaluation, the Council chose to proceed to BaFO stage to consolidate the changes made during the value engineering exercise and to incorporate the provision by the Council of a new site for a Household Waste Recycling Centre.
- **[INFORMATION WITHHELD]**

In summary, high quality competition has been demonstrated from the commencement of this project. There was strong market interest and sustained competitive pressure from bidders and a clear emphasis on affordability from the Council. Extensive value engineering was undertaken post-ITN to ensure that the Council's objectives of Value for Money and affordability were reached. The establishment of clear rules of engagement and open book accounting will ensure that the Council and VES are able to deliver an effective integrated waste management strategy for the best possible price.

### **ITN Response**

**[INFORMATION WITHHELD]**

### **ITN Outcome**

The evaluation process highlighted that there were a number of issues that required resolution prior to making an appointment of a preferred bidder. It was therefore recommended that these issues were to be dealt with in an invitation to submit a Best and Final Offer, and to keep the maximum competitive pressure it was recommended that both bidders were invited to submit BaFO bids.

### **Procurement Review due to Single Bidder status**

In accordance with the VfM guidance at the time, the Council, supported by its advisors (Ernst & Young, Bevan Brittan and Entec) developed a strategy to determine the impact on the VfM of the project of continuing with the procurement **[INFORMATION WITHHELD]**. These strategy objectives were;

- Assess the merits of proceeding with the procurement; and
- determine how Value for Money and competitive pressure could be maintained.

The Council concluded that there was merit in continuing with the procurement for the following reasons;

- A robust competitive process had been conducted. The purpose of the BaFO was to consolidate and crystallise the indicative outcomes of the post ITN

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value engineering process. The value engineering process resulted in VES submitting a price that was within the Council's ITN affordability envelope;

- re-testing the reference project using the August 2004 HM Treasury guidance demonstrated that PFI continued to offer the potential to deliver value for money;
- given the flexibility contained within the contract documentation the Council did not consider that revising the scope, content or performance requirement of the project as part of the re-procurement exercise would engender a higher level of interest in the project;
- alternative procurement routes, such as (i) traditional procurement funded through prudential borrowing; or (ii) a Public Private Partnership contract outside of the PFI framework were considered to be non viable, poorer value for money and offer limited practical benefit to the Council. The additional cost to the Council for pursuing these alternative routes was estimated to be between;
- the lack of market liquidity around large contractual opportunities in the waste management sector led the Council to conclude that a re-procurement is unlikely to provide improved competition. This was partly due to the limited capacity and desire amongst waste management companies to resource a large number of procurement exercises and also legislative developments impacting on the waste management market and particularly the solutions offered by various waste management companies. Re-procurement was estimated to increase costs by over;
- failure to contract under the procurement would damage the credibility of the Council and the loss of reputation would deter new bidders who will be aware of past failure; and
- if delay brought a failure to secure the Padworth site as part of the PFI contract, then this would continue to leave the Council without any significant waste facility sites of its own, and therefore extremely vulnerable in all future tendering exercises, as well as affecting its ability to meet statutory recycling and diversion targets. The Council's existing sites are inadequate and incapable of allowing for any future service improvements.

It was confirmed by Defra and HM Treasury that West Berkshire's waste PFI could continue the procurement on a sole bidder basis subject to the following points:-

**[INFORMATION WITHHELD]**

The Council has successfully completed the procurement to Preferred Bidder stage and are now close to award of contract. The Council is confident that this project reflects value for money whilst delivering on the objectives originally set out in the OBC and meets the DEFRA conditions set on approval to continue with a single bidder.

### **Maintaining the Value for Money during Procurement Review**

The Council considered that it was possible to satisfactorily maintain value for money and competitive pressure through the remaining term of the negotiations to successfully conclude the PFI contract.



- The Council fully expected to achieve a level of risk transfer sufficient for successful sign-off of the PFI contract at FBC. Substantial progress had been made in identifying and resolving SOPC3 compliance issues with VES.
- The Council required an open book accounting approach for the submission of a BaFO, with the intention of benchmarking underlying costs and assumptions. The Council, in conjunction with its technical and financial advisers, developed a 'should cost' model to further drive value from the process.
- A procurement protocol would be developed and agreement secured from VES on these rules of engagement prior to re-commencement with the procurement process.

The Contract is based on SoPC3 and therefore contains large tracts of required drafting imposing a consistent PFI risk transfer. VES at the time accepted this position with minimal derogation. Following the exchanging of commentaries between the Council and VES and following a legal meeting, the Council was comfortable that there were no issues that would prevent close.

### Quantitative VfM analysis and Comparison with the Reference Project

The summary below shows the results of the quantitative VfM analysis for 18% pre-tax blended equity IRR (the rate of return on investment that providers of equity capital would earn under the PFI Option) which is the level of return included within the standard Treasury model most comparable with other similar waste management projects. This analysis was undertaken as part of the Procurement Review undertaken in December 2005.

A summary of the key results of the quantitative analysis are set out in table 8.10.

Table 8.10 Summary of the Key Results of the Quantitative Analysis

	<b>Results under the 18% IRR scenario</b>
PSC Net Present Value (£m)	(411.5)
PFI Net Present Value (£m)	(341.2)
PFI Value for Money <sup>5</sup> (%)	17.1%

Source: HM Treasury Quantitative Analysis Spreadsheet

The summary results indicate that, assuming an 18% equity IRR typical of other similar waste management projects, procurement of the Reference Project using a PFI procurement route is likely to be 17% better Value for Money than a procurement under a traditional Public Sector Comparator (PSC) route.

Detailed results are included in the West Berkshire Waste Project –Procurement Review, submitted in December 2005 to both Defra and HM Treasury. The key observation which was drawn from the results was that under all scenarios tested, PFI offers superior value for money when compared to the PSC.

### Success Achieved in Transferring an Appropriate Level of Risk

Value for Money for the Council is achieved by balancing the transfer of risk to the private sector against the price charged by the private sector for accepting that risk.

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<sup>5</sup> The extent to which the net present value of the PFI option is better (if the figure is positive) or worse (if the figure is negative) than the net present value of the PSC option.

Optimal Value for Money will occur where risks are transferred to the party best able to manage them. This section summarises the success that the Council has had in achieving appropriate risk transfer to the Contractor in the context of:

- The Payment Mechanism; and
- The Project Agreement.

### **The Payment Mechanism**

The Payment Mechanism for the Project was developed following the principles of the 4Ps Waste Management Procurement Pack Guidance. The detailed working of the mechanism has been negotiated extensively to ensure an equitable risk transfer position reflecting the specifics of the project. A detailed review of the Payment Mechanism and its approach to key risk areas is set out in Section 5.5 of this FBC. The Council is confident that the risk transfer implications of the Payment Mechanism reflect a Value for Money position for the Council.

### **The Project Agreement**

The current draft of the Project Agreement is included at Appendix 21. It should be noted that the Project Agreement is not yet in agreed form and the draft appended is subject to further review and amendment.

The Project Agreement follows the provisions of version 3 of the Standard Form of PFI Contract (April 2004) (“SOPC3”) and subsequent guidance (including the SOPC3 Addendum issued by HMT in December 2005, the derogations guidance issued by DEFRA in May 2006 and the 4Ps Waste Pack) suitably amended to reflect the specifics of this project. [As VES’s solution is corporately funded and specific guidance and drafting was issued by HMT in version 4 of the Standard Form of PFI Contract (March 2007) (“SOPC4”), the current draft of the Project Agreement also includes amendments to reflect the principles and drafting within Chapter 37 of SOPC4].

The Council acknowledges that the Project Agreement must transfer appropriate risks to the Contractor and must achieve value for money. Furthermore, the Council is satisfied that those terms of the Project Agreement which depart materially from SOPC3 principles been conceded with the intention, inter alia, of delivering value for money in the context of the project as a whole.

### **Reasonableness and Stability of Costs**

The FBC considers the reasonableness and stability of the costs of VES emerging from the competitive procurement process in the context of two factors:

- The perceived robustness of the price tendered by VES at BAFO; and
- Movements in price between BAFO and the final VES price.

### **Robustness of the BaFO Price**

VES submitted a detailed and well worked-up solution at BaFO and the content of this bid was rigorously evaluated by the Council’s Project Team. A series of



A summary of the principal amendments made to the VES BAFO Unitary Charge agreed by the Councils is set out below:

**[INFORMATION WITHHELD].**

### **Best Value and Continuous Improvement**

Best Value is based around the principle of continuous improvement in service provision which requires improvement not only in the effectiveness and efficiency of service but also the achievement of cost savings. Service user satisfaction and the quality of services delivered as compared with comparable services delivered by other private, public and voluntary sector bodies will be crucial in determining whether the Council fulfil their best value duty.

The Council regards the PFI contract for the delivery of waste management services as the means by which best value and continuous improvement can be harnessed over the Contract period through the setting of performance standards, the monitoring of compliance with those standards and the adoption of processes through which reasonable flexibility can be built into the contract to meet changing needs, improved industry performance standards and changes in technology.

The Council is aware of their responsibilities in demonstrating best value both in relation to the procurement of services and in service delivery throughout the contract term, which has been demonstrated as follows:

### **Best Value through the Procurement Process**

The Council has adopted a number of key principles in the letting of its waste PFI contract:

- At the options appraisal stage the Council conducted a fundamental appraisal of the waste management service, challenging how and why the service should be provided;
- The Council carried out a comparison of the various procurement routes, project structuring options, technical solutions and performance specifications available to the at the OBC stage. These exercises confirmed the benefits of adopting the approach ultimately adopted by the Council in this contract;
- making the proposed solution attractive to the private sector and potential partners and maximising investment and funding opportunities;
- The Council has addressed community needs, addressing social inclusion and accessibility issues and providing opportunities for employment;
- The Council carried out a rigorous tendering exercise that undertaken in line with EU procurement regulations and used the negotiated process as a means of securing efficient and effective services; and

- the waste PFI contract has been negotiated such that its successful implementation will require close cooperation between the Council and VES to deliver a fully integrated and cooperative waste management solution on the ground.

### **Best Value through the Contract Term**

The letting of a fixed price long-term contract can, in theory, conflict with the need to secure best value and continuous improvement in services throughout the [25]-year period. The Council has sought to address this through the negotiated contract in a number of ways:

- The Contractor is incentivised financially to minimise costs through the Payment Mechanism, thereby encouraging the level of service performance delivered by the Contractor to increase over and above that underwritten at financial close;
- the Contractor is incentivised financially to over-achieve on recycling, recovery and diversion performance through the Payment Mechanism, thereby encouraging the level of service performance delivered by the Contractor to increase over and above that underwritten at financial close;
- the Council will share in the benefits of diversion performance exceeding that forecasted at financial close by sharing in the economic gains in the form of reduced landfill gate fee and tax costs and LATS surpluses;
- the Council will share in the benefits of improved recycling services by sharing the profits generated from recyclate sales to the extent that these exceed expectation;
- the Performance Management Framework will ensure that the Contractor provides the service to the required contract standards throughout the contract term;
- Non Key services will be subject to a periodic market testing and benchmarking exercise to establish appropriate market prices. The process will assist both the Council and the Contractor in managing price risk of the service and offer better Value for Money over the contract;
- operational records for each area of service provision will be maintained and performance measured against a range of factors covering current performance, target performance and corrective action proposed as necessary; and
- VES's performance will be measured against a range of best value indicators for waste management.





### 9 Stakeholder Communications

#### 9.1 Introduction

Since 1999 West Berkshire Council has developed a comprehensive communications link with local residents and stakeholders over the existing waste management services provided within the district. To date this has proven to be extremely successful in engaging with the community. Many of the recent increases in current waste performance come from education, awareness and behavioural change in encouraging more residents to become environmentally aware which subsequently has improved participation in current services. This has significantly contributed towards the increases in recycling from 9% to 22% over the last few years.

On a wider level the Council has developed a range of plans and communication mechanisms to engage with the local communities and stakeholders. These include the Parish Planning Process and the Annual Satisfaction Surveys all of which communicate and engage with stakeholders. West Berkshire is recognised nationally for its comprehensive Parish Plan process. One of the main findings from this is that residents would like more materials to be collected from the kerbside, namely: plastics, cardboard and green waste. The new Integrated Waste Management Contract takes this feedback into account and provides the collection of these materials from mid 2008. This demonstrates that there is a close link between communications and service improvements and delivery. This will continue into the new contract to manage the transition and smooth transfer of services from outgoing contractors to the new service provider.

The Council also meets regularly with many of its primary Waste Contractors who have been kept fully briefed as to the stages of the development process for this contract. There are a number of existing service providers who are to be retained by the new contractor in a sub-contract role.

The Council is also a member of ACTVaR (Association of Council's in the Thames Valley Region) – Thames Valley Waste Forum which consists of Local Authorities, the Environment Agency and Waste Contractors. This group is used as a forum for updates on regional waste issues and the position of each local authority on its waste development plans. West Berkshire is an active member and contributor to this group.

Specific consultation on waste has been carried out twice by the Authority. In 2001 to seek public opinion on the current waste management position and the options that were being considered for the future management of waste within the district. And secondly in 2006 to gain a measure of changing opinions and perceptions and also to determine that the Council's adopted Municipal Waste Management Strategy [2002 – 2020] was still relevant.

The results of these consultations are outlined below:

#### Consultation – 2001 – Headline Findings

- 92% currently recycle
- 80% of residents want to recycle more
- 79% of residents used the kerbside service
- 64% wanted more materials collected at the kerbside



### Consultation – 2006 – Headline Findings

The purpose of this survey was to consider the attitudes and behaviour of residents of West Berkshire following the adoption of the Council's Municipal Waste Management Strategy in 2002. To enable the vision of the Waste Strategy to be implemented the Council had begun the procurement of a long-term Integrated Waste Management Contract. The purpose of this consultation was to confirm resident's attitudes towards some of the underlying principles inherent in the Waste Strategy. The results of this consultation are outlined below:

- 54% indicate that waste should be diverted from landfill
- 76% of residents are motivated by the environmental agenda
- Communication is a key aspect to encouraging people to recycle
- Resource management is a concern among residents

The overall perception of the public towards waste and recycling is that residents are committed to recycling. One of the common themes is that the public want to see more comprehensive services and facilities on offer from the Council that makes recycling more inclusive and more importantly easier to use. Communication and behaviour change is a key element of this. Waste and recycling is currently high up on the public agenda and the Council needs to respond. The current waste strategy promotes maximised recycling and composting whilst diverting waste from landfill. This approach is supported through all the communications carried out by the Council. The overarching message in terms of public consultation is that the Council's Integrated Waste Management Contract which has now been completed [subject to DEFRA approval and Contract Signature] will deliver on the aims and objectives of the community. Residents are in full support of the Council's waste management modernisation agenda and a move to a Cleaner Greener district.

### 9.2 Communications Strategy

The promotion of the new contract will include a number of methods to ensure that new services are communicated effectively to all stakeholders. West Berkshire Council will work alongside VES to communicate services through a communications strategy. The ultimate aim of this strategy will be to promote behavioural change thereby increasing capture and participation rates.

Communications detailed in this strategy will include service leaflets, newsletters, help lines, and wider media advertising.

### 9.3 Planning Health Framework

The Council has taken a proactive approach in managing the risks on sites and planning. At the award of PFI credits the Council was asked by DEFRA to mitigate the risks attached to sites and planning issues.

The approach taken ensures that the Council has a clear strategy for managing waste [Municipal Waste Management Strategy] and that the site selected meets all current policy criteria. The site selected at Padworth Sidings was approved by the Council in 2004 as the preferred site. This followed an exhaustive site selection process which considered an initial list of 350. The site selected is identified in the

Waste Local Plan as a preferred area for waste management. The site is also allocated in the emerging Local Development Framework as a preferred area. There is therefore a planning presumption towards a waste use.

The site is mainly vacant and contaminated with good access onto the road network. The site is owned by the British Rail Board [Residuary] Ltd a subsidiary of the Department of Transport. The Council is currently in advanced negotiations over a direct treaty to acquire the site and also is able to use Compulsory Purchase Powers to acquire the site if required. A full resolution on CPO powers is to be taken by the Council in January 2008. We aim to resolve the acquisition of the site by direct treaty by the 31<sup>st</sup> March 2008. The site selected is therefore consistent with all local, regional and national plans around site identification, selection and development.

In May 2005 the Council undertook a detailed consultation on the Padworth Sidings site with local stakeholders, residents, businesses to discuss the authority's proposals for the development of the site. This mainly took the form of a 'drop-in' meeting held at the local Parish Hall with supporting information made available on the Council's website. This was very well attended and the results of the consultation fed back to local residents and into the development of the project.

The Council is mindful of the WIDP's Planning Health Framework and although this was produced in 2007 setting out the approach for managing sites and planning issues the Council has addressed all of the key points in its approach to managing sites risks on this project. We have therefore not provided a separate assessment of planning works against this framework as this would be retrospective.

### **9.4 TUPE**

The main transfer of staff (estimated to be 119) will occur on the 1st of March 2008, with approximately 9 staff transferring later on in the year on the 1st of October when VES take over the running of the Councils' household waste recycling centre. A cost adjustment mechanism has been introduced to address any changes to the number, payment or benefits of staff at the date of transfer, compared to the details in the list VES used for pricing their BaFO. Final discussions still to be held on the indemnities in relation to employment.



## **10 Timetable**

The purpose of this section is to review the Authority's OBC timetable for the PFI procurement and provide an analysis of the causes of deviations either side of this plan. To this effect, the Procuring Authority should complete the following table:

<b>Index</b>	<b>Stage</b>	<b>OBC Date</b>	<b>Months</b>	<b>Actual Date</b>	<b>Months</b>
1	Submission of EoI	Not specified		Not specified	
2	Approval of EoI	Not specified		Not specified	
3	Business Case Approved by Council	Not specified		Not specified	
4	Submission of OBC	01/06/2		01/06/2	
5	Mayoral Approval (if relevant)	Not specified		Not specified	
6	Defra Approval of OBC	01/06/03		01/06/03	
7	PRG Approval of OBC	01/06/03		01/06/03	
8	OJEU Published	10/04/04		10/04/04	
9	Descriptive Document Issued	01/05/04		01/05/04	
10	ISOS Issued	09/07/04		09/07/04	
11	ISOS Returned	01/09/04		01/09/04	
12	ISDS Issued	29/11/04		29/11/04	
13	ISDS Returned	26/04/05		26/04/05	
14	ISRS Issued	15/09/05		30/03/06	
15	ISRS Returned	03/07/06		02/03/07	
16	Call For Final Tenders	24/01/07		24/01/07	
17	Preferred Bidder Selected	01/10/06		17/05/07	
18	Submission of FBC	01/01/07			
19	Defra Approval of FBC				
20	Contract Awarded	31/03/7			
21	Financial Close	31/03/7			
22	Planning application submitted				
23	Planning application approved				
24	Construction Commences				
25	Operational Commencement				

Provide an analysis of the causes for deviation from the timeline provided in the OBC. Detail lessons learnt which may be incorporated by Authorities entering into future procurements.

Summarise the transition timetable leading up to service commencement.



# APPENDICES



## WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE

### APPENDIX 1 – DEFRA’S CRITERIA FOR AWARDING WASTE PFI CREDITS<sup>6</sup>

These are the criteria, which waste projects must meet to be considered for PFI credits, are in addition to the general criteria set out in the Green Book<sup>7</sup> which must be met by all PFI projects. In addition, authorities should also be aware of Defra’s “Waste Strategy for England 2007”. Published on 24<sup>th</sup> May 2007, this document sets out the government’s vision for sustainable waste management<sup>8</sup>.

While some aspects of the criteria are more relevant to projects at OBC stage, the criteria have been printed verbatim as appendix 1, and authorities should cross reference the sections of the FBC that have demonstrated that these criteria have been met.

Criterion	Cross Reference to Relevant Part of FBC
<p>1. Schemes (which may involve more than one Authority) must demonstrate how they will contribute to delivery of their authorities' adopted Municipal Waste Management Strategies (regardless of whether they are Unitary or Two-tier Authorities).</p> <p>Local Authorities are strongly encouraged to have explored with neighbouring authorities the opportunities for joint working when considering a major procurement<sup>9</sup>. Scale and strategic impact are two important aspects to consider when proposing a scheme. In line with Government policy, PFI projects with a capital value below £20 million will not be supported. However, Defra’s upper threshold of £40m for the availability of PFI credits for individual projects no longer applies.</p> <p>In two-tier areas, proposals should demonstrate how the two tiers of local government will work together to deliver their targets under legally binding agreements or constitutions, which should be in place by the start of procurement. By Final Business Case (FBC) stage we would expect a minimum of a detailed Memorandum of Understanding (covering major points of principle), or establishment of joint waste management structures or formal contractual arrangements.</p> <p>In two-tier areas, a Joint Municipal Waste Management</p>	

6 This appendix is also available on the Defra website at the following location:  
<http://www.DEFRA.gov.uk/environment/waste/localauth/funding/pfi/pdf/pfi-criteria-aug08.pdf>

7 <http://greenbook.treasury.gov.uk/>

8 <http://www.DEFRA.gov.uk/environment/waste/strategy/index.htm>

9 There are at least five reasons why co-operation with neighbouring Authorities is desirable:

- The role of *scale* in a project which may be particularly relevant in attracting strong market interest – an important driver of value-for-money (see section 7);
- Availability of suitable sites is not evenly distributed across the territories of all Authorities;
- Transport links and logistics may dictate co-operation across Authority boundaries;
- Failure by Authorities to co-operate may hand a significant negotiating advantage to a supplier who is sizing a facility to cater for more than one Authority’s needs; and
- Economies of scale, which are another important driver of value-for-money.



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<p>Strategy will be a requirement towards this and should include clear, long-term targets for Biodegradable Municipal Waste diversion; recycling; etc., which have been adopted or are close to adoption by all stakeholders.</p> <p>In other types of partnership, such as regional or multi-area partnerships, plans should demonstrate evidence of strong joint working and the intention to have legally binding agreements or arrangements (e.g. joint waste management boards) in place by the start of the dialogue process.</p>	
<p>2. PFI credits are awarded to authorities primarily to deliver increased diversion of biodegradable municipal waste from landfill. Proposals should demonstrate how the schemes:</p> <ul style="list-style-type: none"> <li>• Contribute to or complement longer-term national targets for recycling and composting as well as diversion of biodegradable and other municipal waste from landfill, indicating the amount of biodegradable and other municipal waste expected to be diverted from landfill over the whole life of the project;</li> <li>• Support or complement the authorities' plans for recycling set out in their Municipal Waste Management Strategies.</li> </ul>	
<p>3. Proposals should show how schemes will provide additional contribution to national landfill diversion during the contract period and up to 2020 as required under the Landfill Directive, where appropriate.</p>	
<p>4. Waste minimisation is at the top of the waste hierarchy. While PFI is frequently not an appropriate mechanism for addressing waste reduction, proposals should make clear what other action the authority is taking to reduce generation of MSW.</p>	
<p>5. The use of residual waste treatment options involving recovery, including energy from waste solutions, will have an integral role in treating the waste we cannot 'design out', re-use or recycle. Such options should be considered while also demonstrating that there is no future barrier to meeting reduction, reuse and recycling targets.</p> <p>The Authority should have done sufficient analysis of the technical, environmental and economic options to have identified a preferred solution within the FBC, so that bidders will not be expected or required to carry-out their own repetitious options appraisals.</p>	
<p>6. Proposals should demonstrate that other relevant authorities, the public, and interested parties have been consulted and that there is a broad consensus supporting a recognised long term waste management strategy which is reflected in the proposed solution.</p>	

## WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE

<p>7. Proposals should follow HMT value for money guidance and clearly demonstrate that the proposed project offers a value for money solution when compared with other procurement options. Evidence is required to demonstrate that the authorities have considered and approved all on-going funding requirements necessary to make the project affordable over its whole life. This evidence should include signed commitments from members, or minutes of members meetings clearly demonstrating that they have committed to the ongoing affordability of the project<sup>10</sup>.</p>	
<p>8. Proposals must follow the extant guidance for PFI procurement; i.e. DEFRA-issued specific guidance, the 4Ps Waste Management Procurement Pack, SoPC4<sup>11</sup> and other HMT guidance on PFI procurement. Authorities should also be aware that even if a proposal receives PFI credits support from DEFRA all OBCs will have to gain final approval from the inter-departmental Project Review Group (PRG) that they are ready to proceed to procurement. The criteria for the PRG assessment of business cases are available on the HM Treasury website (<a href="http://www.hm-treasury.gsi.gov.uk">www.hm-treasury.gsi.gov.uk</a>).</p>	
<p>9. Residual disposal solutions (e.g. refuse derived fuel, fibre, soil improvers) must demonstrate the destination of any residual output and the existing or intended commitments for and cost of effecting such disposal. Proposals should include findings from soft market testing indicating a market appetite for the proposed residual product, so as to secure value for money.</p> <p>Where there is a potential for third-party income (e.g. from sale of recyclate, electricity, heat, etc.), this should be considered as part of the value for money analysis. Where new or alternative technologies are proposed in the reference project, they should be shown to be bankable and deliverable.</p>	
<p>10. Preferential consideration will be given to capital projects which focus on residual treatment plant only, including, but not limited to, Energy from Waste, Mechanical Biological Treatments, and Anaerobic Digestion<sup>12</sup>.</p>	

10 The approval should be on the basis of members having a clear understanding of the range of possible costs based on a sensitivity analysis giving best and worst case scenarios.

11 A set of waste sector specific derogations to SoPC4 is being issued in tandem with these criteria [confirm with Amar]. The Procurement Pack is being updated, with the second edition due in [ ], and will contain some standard drafting for waste PFI procurement.

12 This does not necessarily preclude projects comprising combined or integrated facilities or a wider scope of services, where such projects offer clear benefits such as improved value-for-money, deliverability and affordability **and that substantive market interest exists through soft market testing. If there is not sufficient evidence for a real market for such projects, they are unlikely to be approved.**

## WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE

<p>11. Proposals should demonstrate how the potential for community sector involvement in service delivery through the project has been assessed. Where, as a result of such work, a decision is made to exclude or displace such services, a value for money case must be put to support such an approach.</p>	
<p>12. Projects should consider the potential for including other waste streams such as commercial or industrial waste, on the basis of securing a value for money solution. However, projects must demonstrate that:</p> <ul style="list-style-type: none"> <li>• The project continues to deliver value for money in relation to the biodegradable municipal waste being managed through it;</li> <li>• Any cross subsidisation of the costs of disposing of non-municipal waste streams is transparent and acceptable to all stakeholders.</li> </ul>	
<p>13. Projects should have potential sites under consideration which accord with the relevant waste planning authority's statutory development plan. Where this is being updated to reflect Planning Policy Statement 10 (PPS10) projects should align with the policies in PPS10.</p>	
<p>14. Authorities responsible for projects will be expected to engage in the preparation of the relevant regional spatial strategy and local development plan documents so as to help secure an up-to-date and supportive planning context in line with PPS10, including appropriate land allocations.</p>	
<p>15. Authorities should take proactive action to acquire sites in line with the development plan, or which they are confident will accord with the development plan if components of the development plan are under review or in preparation<sup>13</sup>.</p> <p>Consideration will be given on a case by case basis to the status and substance of those planning policies and plans currently in place at authorities.</p>	

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**13 Availability of necessary site(s) identified and secured by the Authority does not preclude bidders offering alternative sites, but does provide a secure reserve position which increases competition, reduces bid costs (both thereby enhancing value-for-money) and improves deliverability of the project.**

## APPENDIX 2 – PLANNING HEALTH FRAMEWORK

### WASTE PROCUREMENT PROJECTS RESIDUAL WASTE TREATMENT FACILITIES ASSESSMENT OF PLANNING STRATEGY

#### Introduction

This assessment is intended to ensure that planning permissions are likely to be forthcoming for residual waste treatment facilities in respect of which government approval for procurement and funding is sought by the WDA.

The assessment also sets out questions intended to establish compliance with the following criteria for securing waste PFI credits (Defra, May 2006).

*Proposals should demonstrate that other relevant authorities, the public, and interested parties have been consulted and that there is a broad consensus supporting a recognised long term waste management strategy which is reflected in the proposed solution. (para 6)<sup>14</sup>*

*Projects should have potential sites under consideration which accord with the relevant waste planning authority's statutory development plan. Where this is being updated to reflect Planning Policy Statement 10 (PPS10) projects should align with the policies in PPS10. (para 13)*

*Authorities responsible for projects will be expected to engage in the preparation of the relevant regional spatial strategy and local development plan documents so as to help secure an up-to-date and supportive planning context in line with PPS10, including appropriate land allocations. (para 14)*

*Authorities should take proactive action to acquire sites in line with the development plan, or which they are confident will accord with the development plan if components of the development plan are under review or in preparation. (para 15)*

WIDP has prepared Planning System Guidance to assist WDAs in understanding the development planning system, and how WDAs can best go about securing a supportive planning context.

This assessment first of all sets out questions to establish an overview of the situation. More detailed questions are then posed in respect of each element.

- **Questions should be answered in relation to all sites required for the project and reserve sites.**
- **Your responses should be signed-off by the head of waste services**

Where necessary, please provide any additional information that you think will help clarify the situation in respect of the question

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<sup>14</sup> A policy-compliant process for developing either a municipal waste management strategy or development plan document will have included community engagement and development/appraisal of options.

## WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE

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### Overview questions and key aspects of planning context

- 1) Is there a Municipal Waste Management Strategy (MWMS) that supports the procurement project?
- 2) Are the specific site proposals consistent with and/or identified (as relevant) in the current development plan (core strategy or site allocation DPD) and/or the emerging Regional Spatial Strategy and (emerging) Waste Local Development Documents?
- 3) Have sites been identified for the necessary facilities, which are likely to get planning permission for those facilities within the timetable anticipated for commencement of construction of the proposed facilities?
- 4) What route has been taken to establish the principle of the use of the sites:
  - Already have permission?
  - Already allocated?
  - Seek allocation?
  - Planning application?
  - Planning studies?
- 5) What steps have been taken to consult the community on the use of the sites?
- 6) Have steps been taken to acquire those sites?
- 7) What is the strategy for acquiring the sites and in relation to planning permissions generally so that such a planning application may be submitted by the preferred bidder as soon as possible after their selection ?
- 8) Overall Alignment of timescales for procurement and planning?

The following sections seek to understand the detail of that overview.

### **Municipal Waste Management Strategy**

- A1) Is there an up-to-date and policy-compliant MWMS that supports the residual waste treatment proposed in the reference case?
- A2) If applicable, detail any restrictions suggested by the MWMS on the residual waste treatment technologies that might be acceptable?
- A3) Was the local community actively engaged in the development of the MWMS?.
- A4) Was the MWMS accompanied by a Strategic Environmental Assessment that informed the approach in the adopted strategy?

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### Development Plan

#### **RSS**

B1) Has the authority cross-checked policy in RSS to be sure that procurement proposals are consistent with regional policy ?

B3) Is the authority engaging (has the authority engaged) with developing RSS to secure a supportive planning framework at the regional level <sup>15</sup>?

#### **Saved development plans**

B5) Are the proposals consistent with any saved policies in a development plan?

B6) Are the sites allocated for waste management purposes in any saved plan?

#### **Adopted Waste DPD**

B7) Is there an adopted Waste core strategy DPD?

B8) If so, are the proposals consistent with the core strategy DPD?

B9) Is there an adopted waste site allocations DPD?

B10) If so, are the proposed sites allocated in the site allocations DPD?

B11) Are the site allocations suitable for the intended use(s) by the procurement project?

B12) Were there significant objections to the allocation (please give, or refer to some indicative statistics to support your response; e.g. level of consultation and objections.)?

#### **Emerging DPD**

B13) Is there an emerging Waste core strategy DPD?

B14) If so, are the proposals consistent with the emerging core strategy DPD?

B15) Is there an emerging waste site allocations DPD?

B16) If so, are proposed sites and usage allocated in the emerging DPD, or have representations been made to secure those allocations?

B17) Have representations been made on behalf of the WDA to secure a favourable DPD and to ensure that the emerging DPD reflects the MWMS?

B18) Detail any known objections (formal or otherwise) to the proposed allocations?

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<sup>15</sup> such as through a pattern of regionally or sub-regionally significant facilities (as envisaged in paras 11 and 12 of PPS10), apportionment of waste requiring management (para 8-11) and supporting policy.

## WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE

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B19) Will planning permission for the proposed sites be sought in advance of the allocation? If so, has the potential objection of prematurity been considered? For example, are there sites proposed for allocation, of which the chosen site is not one?

### **Sites**

C1) Does the site have planning permission for the intended use contemplated by the project?

C2) Is the site allocated for the intended use contemplated by the project?

If not yet consented or allocated:

C3) Are there any adopted development plan policies that favour the use of the site?

C4) Are there any adopted development plan policies that prejudice the site?

C5) How does the site perform against policy expectation in PPS10?

C6) Please detail any relevant history of uses, planning permissions or planning refusals on the site.

If not already consented:

C7) What response has been made by the planning and infrastructure stakeholders to initial consultations with them?

C8) Have desktop studies or a series of such studies been undertaken to identify suitable sites and justify the selection of the chosen site?

C9) Have baseline studies been carried out for all significant environmental aspects identified in the EIA Regulations?

C10) Please describe any issues suggested by those studies that will be difficult or impossible to overcome?

### **Community consultation**

D1) Has the local community been engaged on the proposed use of the site, for example by the use of leaflets and/or exhibitions? (or any wider processes such as SEA or sustainability appraisal in the context of a waste DPD that made specific proposals for the site (please give, or refer to some indicative statistics to support your response; e.g. level of consultation as a proportion of the affected population.))

D2) Did the consultation involve specific types of technology and/or visual representations of the facilities?

D3) What was the scale and nature of the response?

D4) What issues were raised?

D5) Can these be overcome?

## WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE

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D6) Have WDA members considered the response to consultation in endorsing the OBC (i.e. has a report been put to members on the results of consultation, and have they decided that the balance is in favour of proceeding)?

### Site acquisition

E1) Are the sites already owned by the Council?

E2) Have options been taken on the sites?

E3) What time constraints are imposed by the option?

E4) Have discussions been held with landowners with a view to acquisition?

E5) What response has been made?

E6) In the absence of ownership or option, what is the Council's strategy for acquiring the sites?

### Way forward

If approval is given for the procurement, WIDP expects that planning applications will be worked up during competitive dialogue so that they are ready for submission at or around signing of the contract with a view to gaining permissions by financial close. WIDP will appoint a transactor to work closely with the WDA to, inter-alia, ensure that this expectation is met.

Please state, ***as appropriate in the light of your responses above:***

F1) How does the WDA intend to deal with any potential policy conflicts with the current or emerging development plan within the timetable for the procurement?

F2) How will the WDA monitor and respond to the emerging Waste DPD?

[F3) When will any outstanding environmental studies be completed?

F4) How will the results of all discussions, consultations and site studies be made available to bidders?

F4) What is the strategy for submitting a planning application (e.g. allocation and application by contractor; application by WDA)?

F5) If the WDA is to mount an application, are internal and/or external resources available to support this?

F5) How can bidders add value by their track-record and approach to consulting the community?

F6) How/when will the WDA establish whether the bidders intend to use the identified sites?

F7) How will the WDA complete the acquisition of the sites?





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### APPENDIX 3 – PROJECT DATA TEMPLATE

<b>Respondent Details</b> Please provide your contact details below.	
<b>Name:</b>	Andrew Deacon
<b>Job Title:</b>	Waste and PFI Project Manager
<b>Telephone Number:</b>	
<b>Email Address:</b>	ADeacon@westberks.gov.uk
<b>Address:</b>	Council Offices Faraday Road Newbury RG14 2AF
<b>Date Form Completed:</b>	
<b>Signature:</b>	

**WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE**

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Section 1 – General Project Information	
<b>1.01 Project Name:</b>	
<b>1.02 Category:</b> Please tick as appropriate	<input type="checkbox"/> PFI – Using HMT Definition
	<input type="checkbox"/> PPP – Other Public Private Partnerships
	<input type="checkbox"/> Other Joint Venture – Projects which cannot be categorized using the preceding options.
<b>1.03 Sector:</b> The business, service or industry sector most applicable to the project.	
<b>1.04 Project Details:</b> Please provide a short description of the project and its key features.	
<b>1.05 Region:</b> Please enter the County, Unitary Authority, London Borough where the project is based.	
<b>1.06 Specific Location(s):</b> Please enter the specific location of the project if it is not detailed in the above field.	
<b>1.07 Parliamentary Constituency:</b>	
<b>1.08 What date was the OJEU issued?</b>	
<b>1.09 What date was the Outline Business Case Approved by the Department?</b>	

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Section 1 – General Project Information (cont)				
<b>1.10 Who were the short-listed bidders?</b> i.e. Companies or Consortia who were invited to tender				
<b>1.11 When was the preferred bidder appointed?</b>				
<b>1.12 Please confirm that this project has reached financial close.</b>		Yes	<input checked="" type="checkbox"/>	No
<b>1.13 On what date was Commercial Close achieved?</b>				
<b>1.14 On what was date Financial Close achieved?</b>				
<b>1.15 What is the name of the Central Government Sponsor Department?</b>				
<b>1.16 Please use this section to detail any special features relating to the project.</b> e.g. any awards that the project may have won, an innovative approach to procurement or design.				

Section 2 - Commercial Terms	
<p><b>2.01 What is the Capital Value if the project?</b>                      i.e. the public sector procuring body's estimate of the capital value of the property the private sector purchases or creates for delivering services under a PFI contract.                      Please express this in £'m</p>	
<p><b>2.02 PFI Credits Awarded:</b>                      Please express this in £'m</p>	
<p><b>2.03 What is the Net Present Value (NPV) of the authority payments under the Contract (eg the unitary charge, assuming no performance deductions)?</b>                      Please express this in £'m and explain if it includes non-standard elements.</p>	
<p><b>2.04 What was the % discount rate used to calculate the NPV?</b></p>	
<p><b>2.05 Contract Term:</b>                      Please enter the length of the contract in years (including construction).</p>	
<p><b>2.06 Third Party Income:</b>                      Please detail any third party income applicable to the project.                      This should be expressed as an NPV over the lifetime of the project in £'m.</p>	
<p><b>2.07 Please detail the discount rate used to calculate this value.</b></p>	

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Section 2 - Commercial Terms (cont)			
<b>2.08 Key Commercial Features:</b> Please detail the key commercial features of the contract such as the contract type and arrangements or relevant details relating to payment.			
<b>2.09 No of Staff Transferred Under TUPE (if applicable):</b>			
<b>2.10 Is the facility or contract now operational?</b>		Yes	
<b>2.11 What was/is the planned date of operation?</b>			
<b>2.12 What was the actual date of operation?</b>			
<b>2.13 What is the accounting regulation was applied to this project?</b> Please tick as appropriate.		Financial Reporting Standard 5 (FRS5)	
		Statement of Standard Accounting Practice 21 (SSAP21)	
<b>2.14 Please detail the accounting treatment relevant to the project.</b>		<u>ON</u> Balance Sheet	
		<u>OFF</u> Balance Sheet	
<b><u>Insurance Details</u></b>			
<b>2.15 What is the Total construction premium?</b>			
<b>2.16 What is the modelled Gross Operational premium for the first year following Full Service Commencement?</b>			
<b>2.17 What the Base Cost for insurance?</b>			

**WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE**

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Section 3 - Public Sector Authority Details		
<b>3.01 What is the name of the Commissioning Authority?</b>		
<b>3.02 Key Contact(s):</b> Please provide details of the key members of the Contracting Authority's project team		
<b>Name</b>		
<b>Job Title</b>		
<b>Telephone Number</b>		
<b>Email Address</b>		
<b>Address</b>		
<b>3.03 Status of Authority:</b> Please tick as appropriate	<input type="checkbox"/>	Central Government
	<input type="checkbox"/>	Non Departmental Public Body
	<input type="checkbox"/>	Agency
	<input type="checkbox"/>	Local Government
	<input type="checkbox"/>	Other Local Body (e.g. Emergency Services, NHS Trust)
<b>3.04 Lead Public Sector Advisors:</b> Please provide the names of the lead advisors to the contracting authority.	Financial Advisor	
	Technical Advisor	
	Legal Advisor	
	Insurance Advisor	
	Other Key Advisor(s)	

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Section 3 - Public Sector Authority Details (cont)		
<b>3.05 What is the name of the Audit Body Responsible for the Contracting Authority?</b> Please tick as appropriate.	<input type="checkbox"/>	National Audit Office
	<input type="checkbox"/>	Audit Commission
	<input type="checkbox"/>	Audit Scotland
	<input type="checkbox"/>	Northern Ireland Audit Office
	<input type="checkbox"/>	Wales Audit Office / Swyddfa Archwilio Cymru



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Section 4 - Private Sector / Contractor Details			
<b>4.01 What is the name of the Private Sector Partner?</b>	Veolia Environmental Services		
<b>4.02 Please detail the type of company or partnership:</b> Tick as appropriate.	<input type="checkbox"/>	Company Limited by Shares (CLS)	
	<input type="checkbox"/>	Company Limited by Guarantee (CLG)	
	<input type="checkbox"/>	Limited Liability Partnership (LLP)	
<b>4.03 Please provide details of the all Shareholders (past and present) of the Project Company</b>			
	Shareholder 1	Shareholder 2	Shareholder 3
<b>Shareholder Name</b>			
<b>Percentage Shareholding</b>			
<b>Date Holding Commenced</b>			
<b>Date Holding Ceased (if applicable)</b>			
	Shareholder 4	Shareholder 5	Shareholder 6
<b>Shareholder Name</b>			
<b>Percentage Holding</b>			
<b>Date Holding Commenced</b>			
<b>Date Holding Ceased (if applicable)</b>			

**WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE**

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Section 4 - Private Sector / Contractor Details (cont)		
<b>4.04 Key Private Sector Contractors:</b> Please provide the names of the companies responsible for these aspects of the project.	Design & Build	
	Hard Facilities Management	
	Soft Facilities Management	
	Architect	
	ICT Contractor	
	Other Key Contractor(s)	
	<b>4.05 Which of the following options for value testing apply to your project?</b>	
<b>Benchmarking</b>		
<b>Market testing</b>		
<b>4.05.01 Under the terms of the contract, how often is benchmarking / market testing scheduled to take place? Please refer to your project agreement.</b>		
_____		
<b>4.05.02 On what date is benchmarking / market testing next scheduled to take place?</b>		
_____		
<b>4.05.03 If none of the options for value testing apply to your project. Please provide details below e.g. fixed price, RPI.</b>		
_____		
<b>4.06 Lead Private Sector Advisors:</b> Please provide the names of the lead advisors to the SPV.	Financial Advisor	
	Technical Advisor	
	Legal Advisor	
	Insurance Advisor	
	Other Key Advisor(s)	

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Section 5 – Finance: Initial Transaction Details				
<b>5.01 Borrower Name:</b> Please provide the name of the private sector party – usually the joint venture or SPV – accountable for the project debt.				
<b>5.02 Senior Debt (Amount):</b> Please provide the amount of the senior debt in £'m?				
<b>Bank Financed Projects</b>				
<b>5.03 If the project is Bank Financed, please detail the type of Senior Bank Debt.</b> Tick as appropriate.	<input type="checkbox"/> <b>Corporate</b> The senior debt is provided or guaranteed by shareholder(s) or parent company(ies).			
	<input type="checkbox"/> <b>Limited Recourse</b> The senior debt involves limited obligations of the sponsor companies.			
	<input type="checkbox"/> <b>Authority</b> The senior debt is provided or guaranteed by the public sector.			
<b>Bond Financed Projects</b>				
<b>5.04 If the project is Bond Financed, what type of bond is applicable to the project.</b>	<input type="checkbox"/> <b>Wrapped</b>			
	<input type="checkbox"/> <b>Unwrapped</b>			
	<table border="1"> <tr> <td rowspan="2"> <input type="checkbox"/> <b>Index Linked</b>  <i>To which index is the bond linked?</i> </td> <td> <input type="checkbox"/> <b>Retail Price Index (RPI)</b> </td> </tr> <tr> <td> <input type="checkbox"/> <b>Consumer Price Index (CPI)</b> </td> </tr> </table>	<input type="checkbox"/> <b>Index Linked</b> <i>To which index is the bond linked?</i>	<input type="checkbox"/> <b>Retail Price Index (RPI)</b>	<input type="checkbox"/> <b>Consumer Price Index (CPI)</b>
	<input type="checkbox"/> <b>Index Linked</b> <i>To which index is the bond linked?</i>		<input type="checkbox"/> <b>Retail Price Index (RPI)</b>	
<input type="checkbox"/> <b>Consumer Price Index (CPI)</b>				
<input type="checkbox"/> <b>Fixed Rate</b>				
<b>5.05 If the project is Bond Financed, what is the name of the Monoline Insurance Company?</b>				
<b>5.06 What is the Rating of the bond?</b>				

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Section 5 – Finance: Initial Transaction Details (cont)			
<b>5.07 What is the name of the Rating Agency?</b>		Moody's	
		Standard & Poor's	
		Fitch Ratings	
<b>5.08 Equity Capitalisation</b> Please detail the value of shareholders' funds invested in or committed in the SPV at financial close in £'m.  <b>N.B. Please detail pure equity and NOT shareholder sub-debt.</b>  <b>Shareholder sub-debt is dealt with on the following page.</b>			
<b>5.09 Who were the Principal Banks or Bond Arranger(s):</b>			
<b>5.10 Debt Tenor:</b> Please detail the number of years from financial close to final maturity of the senior debt agreement.			
<b>5.11 Margins, Spreads &amp; Fees:</b> Please detail information relating to the pricing of the Senior Debt. i.e.  Arrangement Fee Commitment Fee Margin (please give details if it varies eg during construction and operation) Credit margin on interest-rate swap (or inflation swap) MLAs on bank debt For a bond, please state the benchmark gilt, the spread over the benchmark gilt, and the monoline fee			
<b>5.12 Was a funding competition held for the Senior Debt?</b>		Yes	
<b>5.13 Key Funding Parameters:</b> Please use this space to provide key information about the terms of financing.			

**WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE**

Section 5 – Finance: Initial Transaction Details (cont)			
<b>5.14 Is there Shareholder Loan/Sub Debt?</b>	<input type="checkbox"/>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>Shareholder Loan / Sub Debt Details</b>			
<b>5.15 What is the amount?</b> Please express this in £'m	<input type="text"/>		
<b>5.16 Shareholder Loan: Principal Provider</b>	<input type="text"/>		
<b>5.17 Shareholder Loan: Term</b> Please express this in number of years.	<input type="text"/>		
<b>5.18 Shareholder Loan: Margins, Spreads &amp; Fees</b>	<input type="text"/>		
<b>5.19 Is there Third Party Loan/Sub Debt?</b>	<input type="checkbox"/>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>Third Party Loan / Sub Debt Details</b>			
<b>5.21 What is the amount?</b> Please express this in £'m	<input type="text"/>		
<b>5.22 Third Party Loan: Principal Provider</b>	<input type="text"/>		
<b>5.23 Third Party Loan: Term</b> Please express this in number of years.	<input type="text"/>		
<b>5.24 Third Party Loan: Margins, Spreads &amp; Fees</b>	<input type="text"/>		
<b>5.25 Gearing</b> What is the ratio of funding sources within the capital structure, eg 90:10 for Senior Debt to Equity (subordinated debt and pure equity capitalisation)?			
<b>5.26 Blended Threshold Equity IRR (real post tax)</b> What is the Internal Rate of Return to Shareholders, as a percentage rate, from Equity and Sub-Debt?			
<b>N.B. There are many alternative measures. Please give the IRR after the SPV's own tax but before shareholders' tax; expressed in 'real terms' ie after removing impact of inflation – this will be lower than the 'nominal'/'cash terms' figure which includes inflation.)</b>			

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## APPENDIX 4 - WEST BERKSHIRE STRATEGIC WASTE MANAGEMENT POLICIES AND OBJECTIVES

### Waste Education and Awareness

- SWMP 1 *West Berkshire in partnership with parish councils, community groups and other Agencies will seek to deliver a programme of awareness, promotion and publicity to encourage a fuller understanding of sustainable waste management issues and practices throughout the community.*

### Stakeholder Consultation

- SWMP 2 *West Berkshire will seek to engage in a full and interactive dialogue with all members of the community on waste management issues within West Berkshire. In doing so the Council will endeavour to ensure that all opinions are duly expressed and fully considered as part of any decision making process. The Council will ensure that the process of making such decisions is open and fully transparent to all in West Berkshire.*
- SWMP 3 *West Berkshire will enter into and maintain meaningful dialogue with the Environment Agency, nearby local authorities and other Agencies on the development of future waste management solutions for West Berkshire to ensure that our strategy and plans are both consistent and pragmatic in a Regional context.*

### Waste Minimisation and Reuse

- SWMP 4 *West Berkshire in conjunction with the Environment Agency, other local authorities and other parties will encourage the reduction and re-use of waste. This will form an objective of a promotional and awareness programme focused on waste.*
- SWMP 5 *West Berkshire shall establish a leading example within our community by examining how it purchases, uses and manages materials in the course of its normal activities. The objective of this work will be to identify ways of reducing consumption and preventing waste production, using where practicable, environmentally superior materials and employing more sustainable practices.*
- SWMP 6 *West Berkshire will establish a programme of waste minimisation, re-use, recycling of waste materials in respect of its own functions and the services it provides.*
- SWMP 7 *West Berkshire will establish a challenging series of targets for minimising the municipal waste it collects from the community. The Council will seek to forge partnerships with parish councils and community groups with a view to establishing common aims and goals in this respect.*
- SWMP 8 *West Berkshire believe the first and most meaningful target for waste minimisation in the short term, should be reducing waste growth in West Berkshire to the national average. Subsequent targets will be set following regular periodic review and should seek to achieve more significant reductions in waste generation.*

### Recycling & Composting

- SWMP 9 *In consultation with the Environment Agency, nearby Local Authorities and other Agencies and having regard to material planning considerations, West Berkshire will promote the development of new and existing facilities for waste transfer, recycling and composting provided that:*
- These facilities are developed as part of integrated network to deliver West Berkshires needs and contribute to Regional self sufficiency*
  - The facilities are consistent with the aims and objectives of the waste management strategy for West Berkshire*

## WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE

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- *There is demonstrable need for the facility.*

SWMP 10 *West Berkshire will develop practical initiatives to support waste segregation at source in the household and encourage similar initiatives in business premises.*

SWMP 11 *West Berkshire in partnership with the Environment Agency, community groups and others encourage recycling and composting at home and in the workplace.*

### **Waste Management**

SWMP 12 *West Berkshire is committed to movement towards more sustainable waste management practices. It will seek to influence such change wherever it can and particularly through the exercise of its statutory functions.*

SWMP 13 *In respect of current Government guidance on sustainable development and waste management, West Berkshire considers the progressive development of more sustainable waste management practices to be a legitimate strategic goal to be achieved over the short, medium and long term.*

SWMP 14 *Through the implementation of its waste management strategy and future contracts, West Berkshire will seek to progressively reduce the amount and proportion of West Berkshires municipal waste being disposed of to landfill. In so doing West Berkshire will seek to divert municipal waste towards more sustainable waste management practices which lie higher in the waste management hierarchy.*

SWMP 15 *West Berkshire supports the proximity principle and the concept of regional self sufficiency in respect of waste management facilities. Wherever it is consistent with the best practicable environmental option available, West Berkshire will endeavour to ensure that the waste produced by our community is managed and dealt with within West Berkshire, or failing this the Region, wherever this is possible.*

SWMP 16 *West Berkshire will not normally support the export or import of waste from the Region for treatment or disposal unless circumstances demonstrably show that this is the best practicable environmental option.*

SWMP 17 *In working towards more sustainable waste management West Berkshire will seek through the implementation of its strategy, to deliver statutory Government performance standards for waste management.*

SWMP 18 *West Berkshire will seek to deliver continuous and demonstrable improvement in the quality, sustainability and efficiency of the waste management services it delivers.*

SWMP 19 *Through the implementation future waste management contracts, West Berkshire will encourage its future contractors to be proactive and innovative in identifying areas for delivering service improvement and achieving its core policies and goals.*

### **Waste Recovery**

SWMP 20 *In line with Government targets for waste recovery, West Berkshire will look to recover more value from waste as part of its waste management strategy over the medium to long term. The Council will maintain a watching brief on the technologies available for this purpose and seek to engage in partnerships with others where this can deliver the best practicable environmental option in a way which is consistent with best value.*

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## APPENDIX 5 - 2006 PUBLIC CONSULTATION REPORT



# Waste Management Survey

## Main Findings

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BACKGROUND .....	3
PURPOSE OF THE SURVEY .....	3
METHOD.....	3
MAIN FINDINGS .....	5
To what extent do residents currently seek to reduce the amount of waste they produce – either at source, or through composting and recycling.....	5
The extent to which existing facilities are used – and how often.....	10
What motivates people to recycle (or not).....	14
The extent to which people agree with the basic principles of waste management and what it is seeking to achieve.....	16
How West Berkshire Council can best communicate with residents about changes to the waste management service.....	17
SUMMARY .....	20
SUPPORTING TABLES.....	23
COPY OF QUESTIONNAIRE .....	32

## HEADLINE FINDINGS

- Just under three quarters of residents consider that they recycle 'everything', or 'a lot'. However, nearly 1 in 4 people say that they only recycle 'sometimes'.
- More than half of residents say they are willing – and do – recycle despite any additional effort required. However, 41% of people will only recycle if there is nothing extra that they have to do.
- Older age groups are much more inclined to say they recycle more. They are also more likely to recycle materials collected as part of the doorstep collection service.
- Paper and glass are the most commonly recycled materials. However a significantly smaller proportion of people recycle cans - despite these similarly being included in the kerbside collection scheme.
- Residents in Newbury / Thatcham are much more likely to recycle materials which are *not* collected at the kerbside (i.e. plastics and cardboard).
- 43% of households in West Berkshire do their own composting.
- Over three quarters of residents had been to a household waste recycling centre (i.e. 'the tip') in the past 12 months. Residents in Newbury / Thatcham are the most likely to go - and are the most likely to go more frequently. Residents in the Reading suburbs are the least.
- Garden waste is the most commonly taken to a household waste recycling centre along with electrical items and cardboard.
- More than half of households who went to 'the tip' took general household waste.
- A sense of social responsibility was the most common motivation to recycle for older generations. An explicit concern for the environment was a motivating factor for younger age groups.
- Older age groups are more likely to say that recycling is easy / no extra effort.
- Just under half of people who do recycle, say that it saves space in their bins at home. Conversely however, a lack of space was seen as a barrier to recycling by 40% of people who do not recycle.
- A lack of awareness of collections was a reason for not recycling in a third of cases.
- A lack of interest was cited by only 14% of people who did not recycle and a cynicism of the environmental benefits in only 7% of cases.
- This is supported by almost unanimous agreement with the statements setting out some of the key principles of the Waste Management Strategy.
- Leaflets to people's homes is by far the most popular means of communicating with local residents. An advert in the local paper was also sanctioned by half of residents.
- More than half of residents would phone the council to find out something about recycling. A similar proportion would use the recycling calendar which had been distributed to households. Nearly 40% of residents said they would look on the Council's website for information - [westberks.gov.uk/recycle](http://westberks.gov.uk/recycle).

## **BACKGROUND**

1. This paper sets out the findings of the survey looking at the attitudes and behaviour of residents in West Berkshire in relation to the waste management agenda, and in particular recycling.
2. West Berkshire Council has produced future plans on how household waste is to be dealt with in the district for the next 20 years. This Waste Management Strategy has been in place since 2002. The aim of the strategy is to promote a more sustainable approach to waste management, provide value for money and in doing so meet national government targets of the proportion of waste sent to land fill.
3. To enable West Berkshire to fully implement the long-term vision for waste management, the Council is putting together a long term contract, working with a private sector partner to meet the strategy's challenging aims and objectives.
4. One key goal of the strategy is to encourage everyone in the district to minimise the amount of waste they produce and to maximise the amount of materials recycled and composted. In this way, we aim to reduce the amount of waste that we send to landfill.
5. Part of the strategy encompasses an educational and promotional campaign to highlight the practicalities and benefits of recycling and limiting refuse to landfill. Aligned to this is the need to influence residents' behaviour to increase the amount of material recycled and reduce dependence on landfill sites.

## **PURPOSE OF THE SURVEY**

6. The Waste Management Team in West Berkshire Council already collect detailed information about recycling rates and content through monitoring waste collection data.
7. The purpose of this survey therefore is to look beyond this existing data to *establish residents' attitudes and perceptions of recycling and test some of the principles inherent in West Berkshire Council's Waste Management Strategy*. This information will be used to establish how pervasive people's attitudes to recycling are across the district.
8. To support this overarching aim, the survey seeks to inform:
  - The extent to which residents currently seek to reduce the amount of waste they produce – either at source, or through composting and recycling.
  - The extent to which existing facilities are used – and how often.
  - What motivates people to recycle (or not).
  - The extent to which people agree with the basic principles of waste management and what it is seeking to achieve.
  - How West Berkshire Council can best communicate about changes to the waste management service to residents.

## **METHOD**

9. A random sample of 3,858 people (aged 18 years old or over) from across the district was taken from the electoral register.

10. A copy of the questionnaire was sent to each named individual in October 2006 along with an information leaflet and a cover letter setting out the purpose of the survey. A *Freepost* addressed envelope was also included to encourage as high a response rate as possible. Respondents were given 6 weeks to return their completed questionnaire.
11. To encourage participation and achieve as high a response rate as possible, a reminder postcard was sent to those who had not responded after 3 weeks and a further copy of the questionnaire and accompanying information was sent a week before the deadline.
12. 93 questionnaires were returned 'addressee moved away' providing us with a final sample of 3,765. 2,541 questionnaires were returned in total, representing a 67% response rate. This should be viewed in the context of postal questionnaires more generally, where we would expect to get a response rate of between 15-30% for a similar exercise.
13. Initial preparatory analysis showed an under-representation of younger age groups and males in the achieved sample. The analysis therefore has been weighted using a grossing cross-sectional weight derived from the 2001 Census to match the achieved sample against the population's known profile according to age and gender.
14. Because this survey used probability (i.e. random) sampling techniques, the results can be extrapolated out from simply 'those surveyed' to West Berkshire residents more generally. Therefore, any conclusions drawn from this survey can be applied to the wider population.
15. However, being a sample survey there is an inherent degree of error within the results. The size of the achieved sample however provide us with a correspondingly small sampling error. With a 2,500 sample size the figures overall are therefore considered to be accurate to within +/-2%, at the 95% confidence level. That is to say, if we found that 16% of residents recycle everything that can be recycled, we are 95% confident that if we asked all 110,000 people aged over 18 in West Berkshire, the true figure would be between 14-18%.
16. This paper provides the main findings from the survey. Supporting cross-tabulation and frequency tables of the analysis are provided as an annex at the end of this paper.
17. Some parts of the analysis refer to different geographic areas of West Berkshire: Newbury / Thatcham, Downlands, Kennet & Pang and Eastern Area. These correspond to the key areas which make up the district.

#### URBAN

- Newbury / Thatcham - the main urban centre in West Berkshire.
- The Eastern Area refers to the suburban areas of Reading and the neighbouring villages of Theale and Pangbourne.

#### RURAL

- Downlands refers to the rural area to the west and north of the district – including Lambourn, Hungerford, Kintbury, Compton and the Ilsleys.

- Kennet & Pang refers to the rural areas to the east of Thatcham – including Streatley, Bucklebury, Aldermaston and Mortimer.

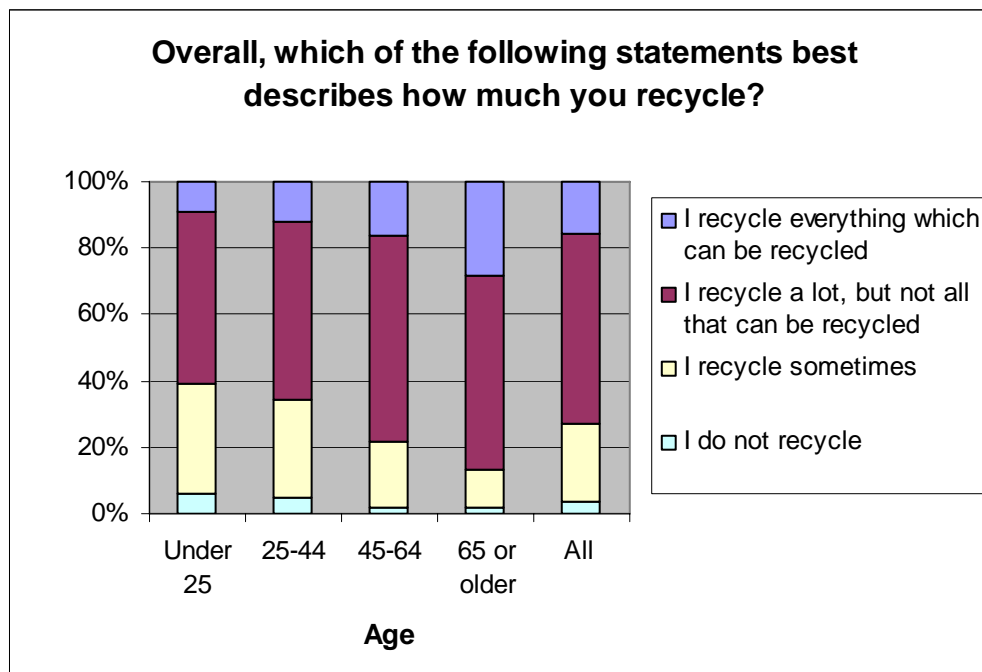
A map of how showing these areas can be downloaded from [westberks.gov.uk/areaforums](http://westberks.gov.uk/areaforums).

## MAIN FINDINGS

18. The key findings from the survey are set out below. For ease of reference these have been arranged around the objectives the survey was seeking to achieve.

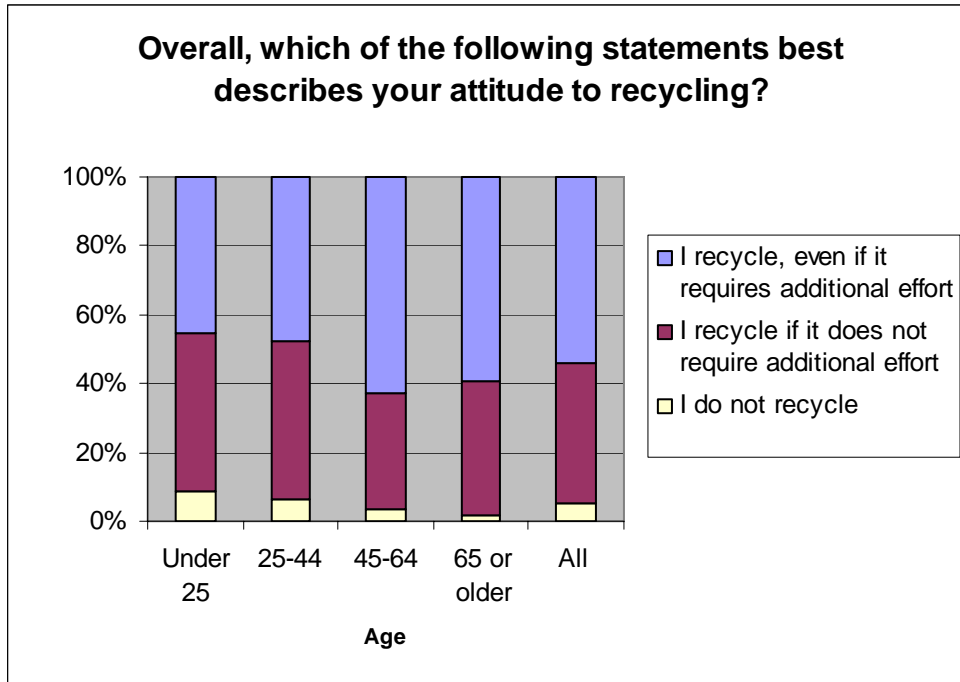
**To what extent do residents currently seek to reduce the amount of waste they produce – either at source, or through composting and recycling.**

19. Respondents were asked to consider how much they recycled. Just less than three quarters of West Berkshire residents thought that they recycled either ‘everything’ or ‘a lot’. Within this, 16% of people said that they recycled everything which could feasibly be recycled.
20. Although a low proportion of people said they did not recycle at all, just less than 1 in 4 said that they only recycled ‘sometimes’.
21. Analysis does not show a significant difference between the extent to which people say they recycle depending upon where they live. People living in more urban areas are as likely to say they recycle ‘a lot’ or ‘everything’ as people living in the more rural areas. However, clear differences emerge when comparing by age.

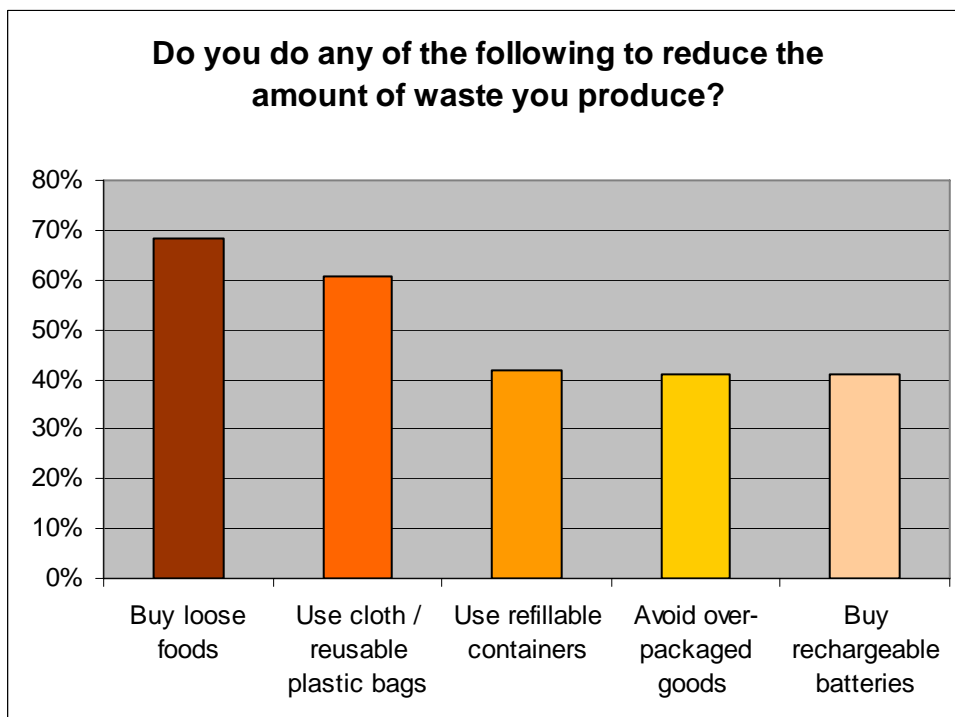


22. We can see in the graph above that older age groups are much more inclined to say they recycle more. 28% of people aged over 65 say they recycle everything which can be recycled, compared to only 12% of people aged 25-44, or 9% of the under 25 age group. These younger age groups much more inclined to only recycle sometimes – or not at all.
23. A similar question asked respondents to note the amount of *effort* they put into recycling.

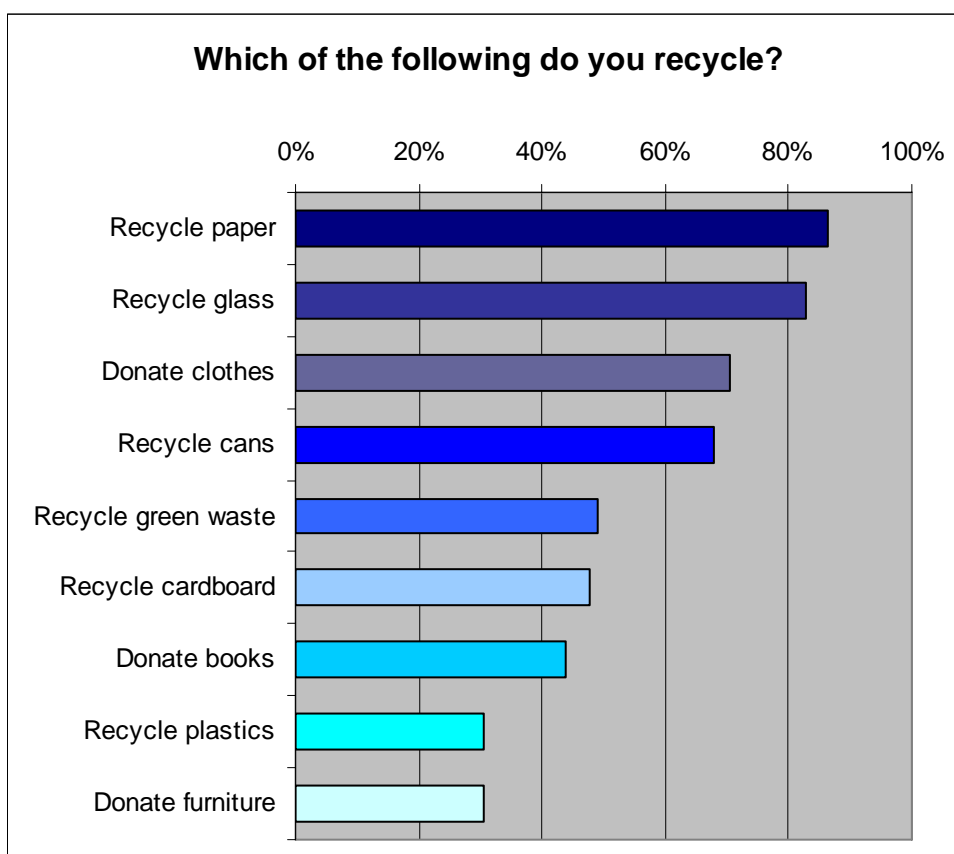
24. Overall, more than half of people say they are willing – and do – recycle despite any additional effort required. Equally however, a high proportion of people (41%) said that they only recycled if there was nothing extra that they had to do.
25. Similar to the previous question, we can see that older age groups are significantly more inclined to put more effort into recycling, than younger people.



26. To supplement these overall questions on amount and effort, respondents were also asked how they reduced the amount of waste they produced.



27. We can see that buying loose food is by far the most common example – for more than 2 out of 3 people. A similarly high proportion (60%) use cloth / reusable or reused plastic shopping bags. Perhaps surprisingly however, only 40% of people use refillable containers. Over 40% of people said that they bought rechargeable – rather than disposable - batteries.
28. Looking at this question again by age, shows little difference in shopping habits between the generations. The only key differences of note is that the over 65 age group are much more likely to use cloth / reusable plastic shopping bags (73% of over 65s compared to 54% of 25-44 year olds). Conversely however, the youngest age group (under 25s) are significantly more likely to use refillable containers (51% compared to 40% of 25-44 year olds).
29. Respondents were also asked what materials they recycled. We can see below that glass and paper were by far the most commonly recycled materials – by more than 4 out of 5 people. This is perhaps not surprising given that these are collected from people’s doorsteps. However, curiously, a significantly smaller proportion of people recycle their cans despite these also being part of the same kerbside collection scheme.



30. Much smaller proportions of people recycle cardboard (48%) and plastics (31%). Unlike paper and glass however, these are not collected from people’s homes. As a consequence, these have to be taken either to the local recycling banks or the household recycling centre. We have previously found that 40% of people recycle only if it requires no additional effort, so this is perhaps not surprising.
31. Providing more local recycling facilities was a common theme freely raised by people at the end of the questionnaire. It was reported by a significant number of

respondents that more local facilities closer to their home would be beneficial. Similarly, some reported the need to empty existing facilities more frequently.

32. A large proportion of people - more than 2 out of 3 - donate their unwanted clothes either as part of the recycling collection service, at recycling points or direct to charity shops. Less than half of residents donate books however.
33. Significantly, when asked at the end of the questionnaire whether there was anything else to add, a substantial number (nearly 600 respondents) specifically – and unprompted – called for an extension to the range of materials which could be collected from the kerbside. Feedback suggests that there is a lack of clarity amongst people as to why some recyclable material has to be taken to a central site, rather than is collected direct from their homes. Is it because there is not enough space on lorry? Is it because it is too heavy? Is it because it cannot be processed at that particular recycling site?
34. This is further compounded in areas close to the district boundary – particularly in the east of the district - where people are aware of differences in practice in Reading Borough, South Oxfordshire, or Basingstoke and Deane.
35. Comparing what people recycle by age shows some key differences. Given that older age groups are more likely to recycle *per se*, this is reflected in greater proportions of recycling materials collected at the kerbside – such as glass, paper and cans – by this age group. Younger age groups however are more likely to donate unwanted clothes, books and furniture.
36. The table below shows that it is the middle age groups who are more able to / willing to recycle materials which need to be taken either to a local recycling point or the recycling centre.

**Which of the following do you recycle?**

	Percent of Residents Aged ...			
	Under 25	25-44	45-64	65 or older
Recycle paper	82.5%	81.0%	88.5%	96.9%
Recycle glass	77.1%	81.3%	84.6%	85.0%
Donate clothes	69.9%	75.5%	72.1%	55.8%
Recycle cans	66.0%	66.7%	67.0%	73.6%
Recycle green waste	33.5%	45.7%	56.8%	49.4%
Recycle cardboard	46.7%	47.5%	49.3%	46.1%
Donate books	43.9%	42.9%	47.1%	39.9%
Recycle plastics	29.4%	33.2%	30.2%	25.5%
Donate furniture	30.4%	29.9%	34.0%	24.3%
<i>Total</i>	<i>219</i>	<i>964</i>	<i>814</i>	<i>422</i>

37. Breaking this question down by geographic area shows some equally interesting distinctions.
38. As we might expect, recycling of materials collected by the kerbside collection service are reasonably consistent across the district. However, the table below shows that residents of Newbury / Thatcham are significantly more likely to



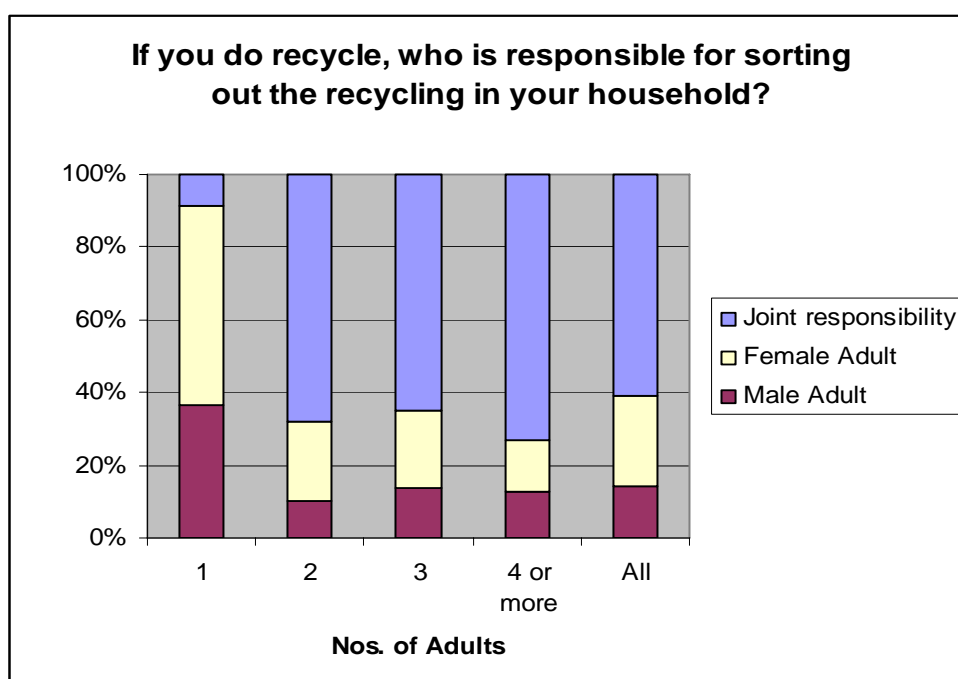
recycle plastics and cardboard than either their rural residents, or urban counterparts in the Reading suburbs.

39. Interestingly, people living in the Reading suburbs are much less likely to recycle their garden waste than anywhere else in the district. Equally, lower proportions of people in this area donate furniture.

**Which of the following do you recycle?**

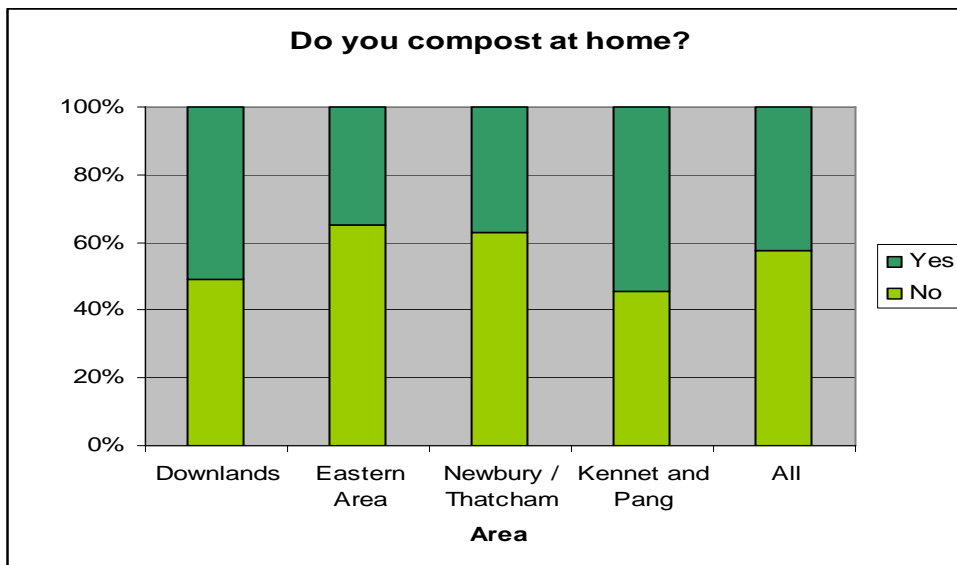
	Percent of Residents Living in ...			
	Downlands	Eastern Area	Newbury / Thatcham	Kennet & Pang
Recycle paper	88.1%	87.2%	85.3%	85.5%
Recycle glass	84.2%	81.4%	80.4%	87.5%
Donate clothes	68.9%	69.7%	71.8%	70.4%
Recycle cans	66.7%	70.4%	67.3%	69.7%
Recycle green waste	51.6%	37.2%	51.7%	53.8%
Recycle cardboard	45.5%	46.0%	51.4%	45.4%
Donate books	37.9%	47.5%	43.9%	47.3%
Recycle plastics	27.6%	26.8%	34.0%	30.5%
Donate furniture	31.0%	22.8%	36.1%	27.3%
<i>Total</i>	<i>536</i>	<i>512</i>	<i>906</i>	<i>416</i>

40. In almost two thirds of households the responsibility for sorting out the recycling is shared. Of the remaining households, the responsibility lies predominantly with the female in 25% of cases, and predominantly with the male in a further 14%.



41. This pattern remains true irrespective of the number of adults in the household whereby even when there are 3 adults, the female adult assumes responsibility in over 20% of cases, compared to 14% where the male takes the lead.

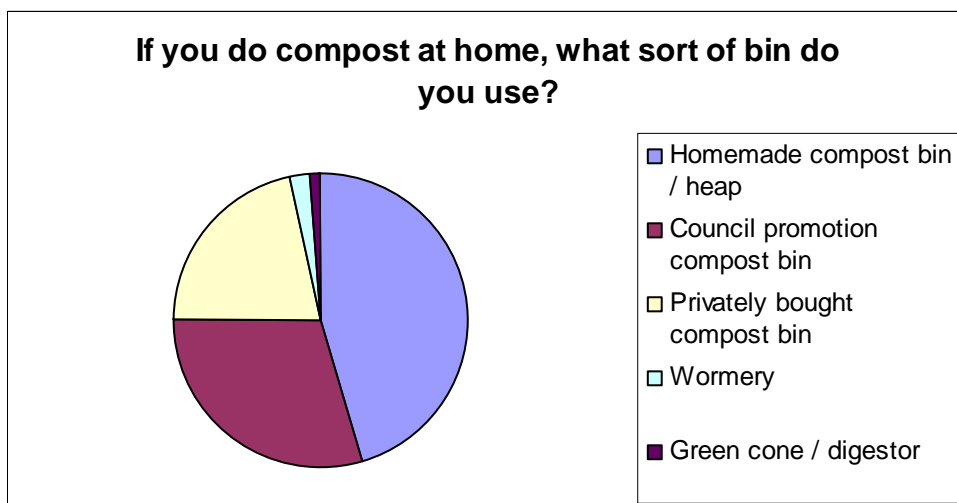
42. Home composting appears to be quite prevalent in West Berkshire with 43% of households overall across the district doing their own composting. Rates of composting typically increase with age from 35% of 25-44 year olds up to half of people over 65.



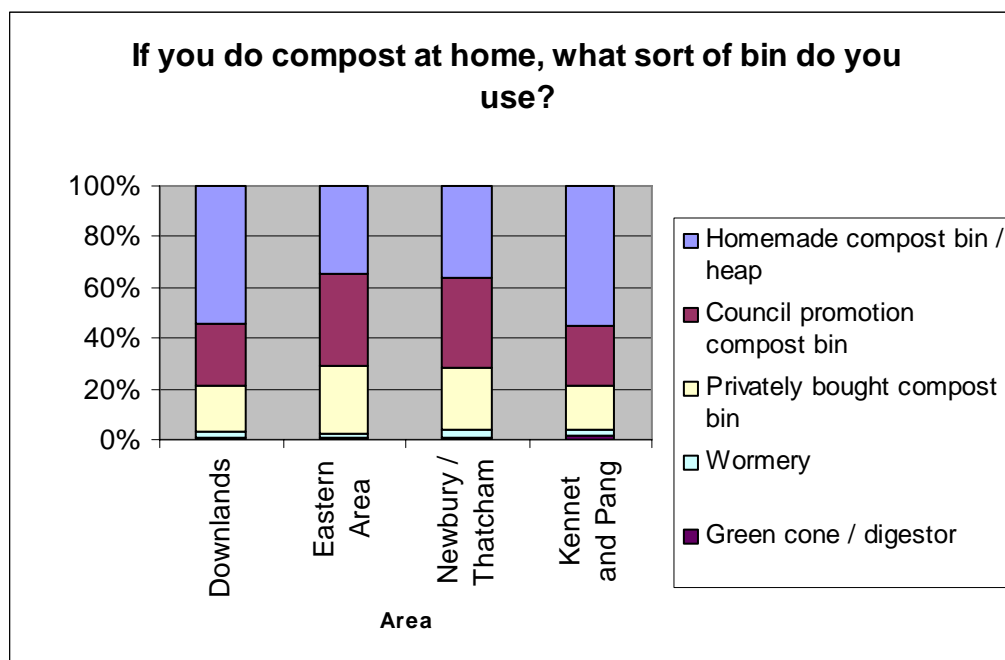
43. Just over a third of residents in urban areas (37% in Newbury / Thatcham and 35% of residents in the Reading suburbs) do some form of composting, but this rises to more than half of residents in the more rural areas in the district.

**The extent to which existing facilities are used – and how often.**

44. We have already seen that 43% of households West Berkshire do some form of home composting. Of these households, more than half have either made their own bin, or more simply heap up composting materials in a portion of their garden. A quarter of households who compost, bought their bin privately - for example from a garden centre. However, over 1 in 3 of composting households have a bin provided as part of a council promotion. This is a scheme which has been running for over 5 years and in an attempt to increase the number of households who compost, bins are offered at a discount price.



45. The graph below shows a clear distinction in the types of compost bins used in different parts of the district. Although a smaller proportion of households compost in the more urban areas of West Berkshire (Newbury / Thatcham or the Reading suburbs), there is a much higher take-up of the Council's promotion for home compost bins in these areas. 40% or more of households which compost in these areas use a bin provided by West Berkshire Council.

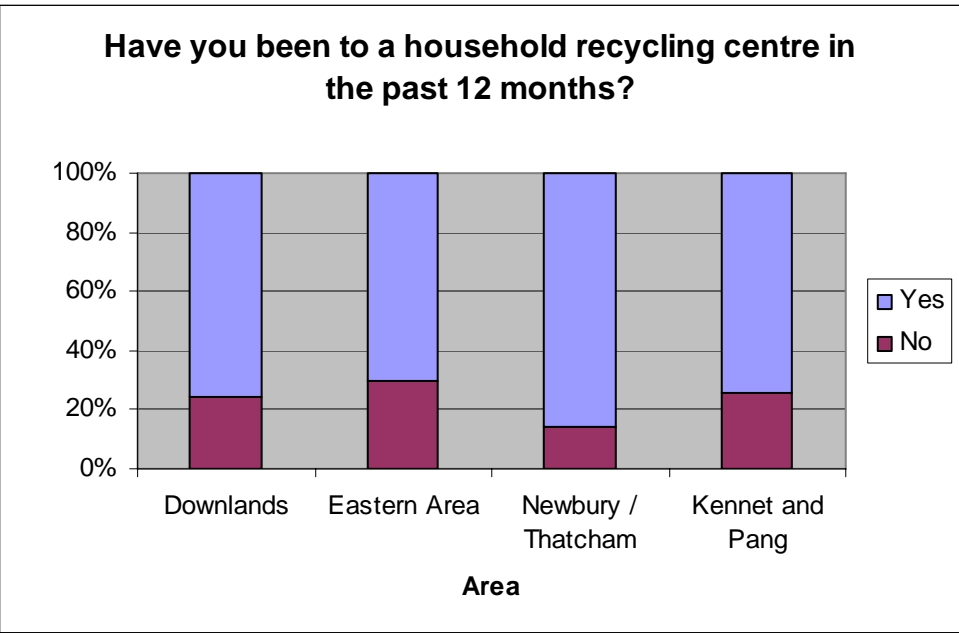


46. People in these areas are also more likely to have bought a compost bin privately. By contrast, residents in the more rural areas are more likely to have made their own bins.

47. Aside from the kerbside collection service, the main facility provided by the Waste Management Team is the Household Waste Recycling Centre (or the tip). This is a heavily used service with over three quarters (78%) of residents having visited a household waste recycling centre in the past year.

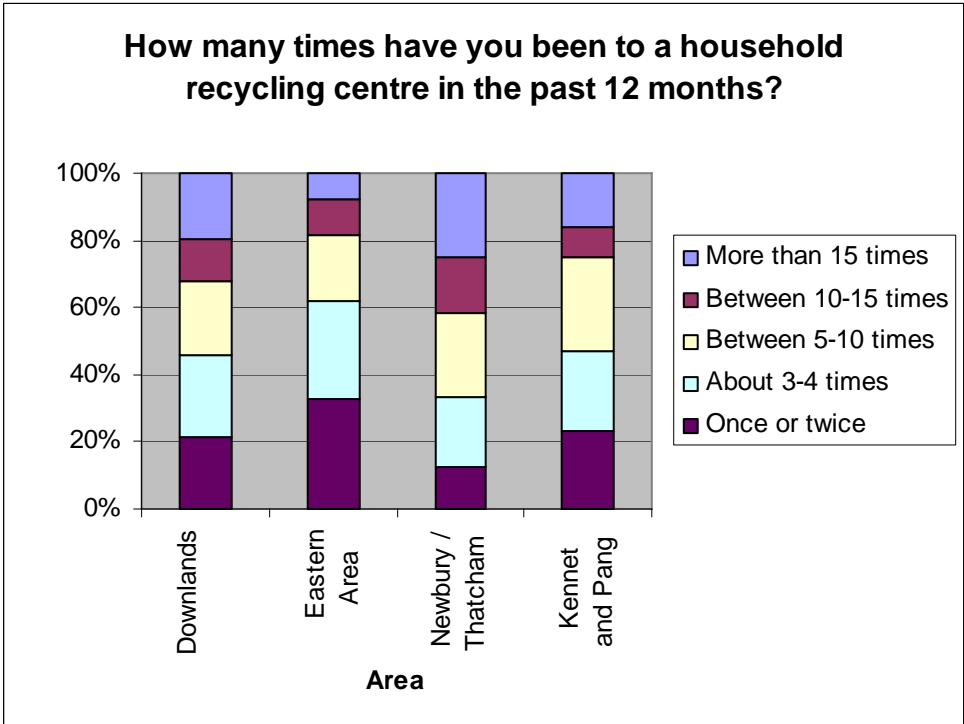
48. Within this overall figure, there is significant variation between different age groups who have been to the Household Waste Recycling Centre. For example, more than 85% - of people aged between 25-64 had been to the tip in the past 12 months, compared to 68% of householders aged under 25 and 63% of people aged over 65.

49. Clear differences also appear depending upon where people live. For example, more than 85% of Newbury / Thatcham residents had been to the tip at least once in the past year. This falls to three quarters of people in the rural Downlands and Kennet & Pang areas. However the lowest proportion is amongst residents in the Reading suburbs (71%).

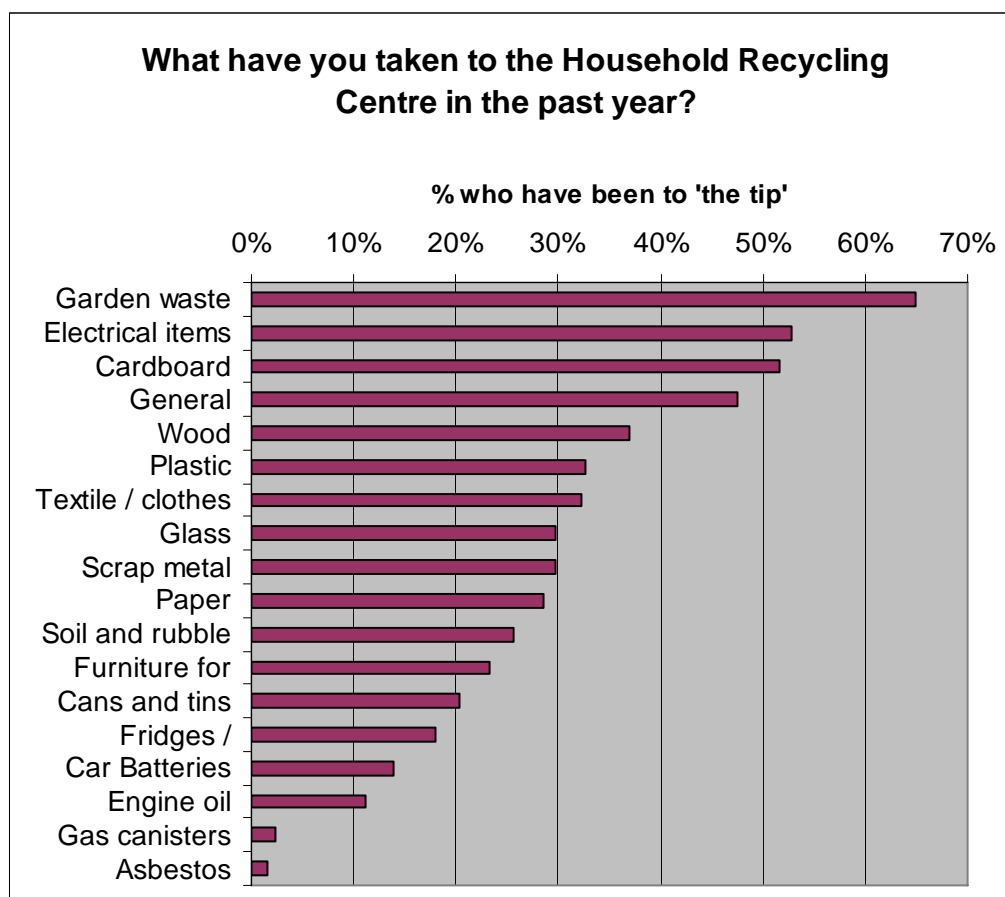


50. Of residents who go to a household waste recycling centre, a quarter go between 5-10 times a year (or an average of every two months or so). A similar proportion go approximately 3-4 times a year. Almost 1 in 5 residents who go to the tip however, do so more than 15 times in a year.

51. Analysing this question by where people live, we can see that residents in the Reading suburbs – as well as being less likely to go to a household recycling centre – are also less likely to go on a frequent basis. By far the highest proportion (almost 1 in 3) only went to the tip once or twice. Residents in Newbury / Thatcham were significantly more likely to go to the tip more frequently – perhaps influenced by the site being located on the edge of Newbury itself.



52. Unsurprisingly, the Pinchington Lane Household Waste Recycling Centre in Newbury is the primary site for the majority of residents (69%). 21% of residents overall (mainly living in or near Greater Reading) used the Island Road site in south Reading. 5% of residents primarily used Paices Hill near Aldermaston. Despite the dispersed nature of West Berkshire's population however only a small percentage (5.5%) used another Recycling Centre outside of West Berkshire.



53. In terms of what people take to the tip, garden waste is by far the most common material. Of those who have been to a household waste recycling centre in the past year, almost two thirds took green waste. Suggesting demand for such a service, a significant number (more than 100) of people freely suggested that garden waste should be collected from people's homes.

54. Although cardboard and plastic is not collected as part of the home collection service, more than half of households took cardboard to their local tip, and a third plastics.

55. Significantly, almost half of households who went to the tip, also took general household waste.

**What motivates people to recycle (or not).**

56. Respondents were asked what motivates them to recycle. A series of statements were presented and people were asked to say which expressed their feelings the closest. The graph below shows the responses.



57. Some form of environmental concern was the most prevalent motivation. Over three quarters of people who recycled did so explicitly because it was good for the environment. Half of people who recycle do so because it helps reduce pollution – although just over 70% felt motivated because it explicitly reduced the amount of waste going to landfill.

58. Altruism is another significant motivation for people. Three quarters of people recycle because they felt it was ‘the responsible thing to do’ and 55% felt that it was ‘good for future generations’.

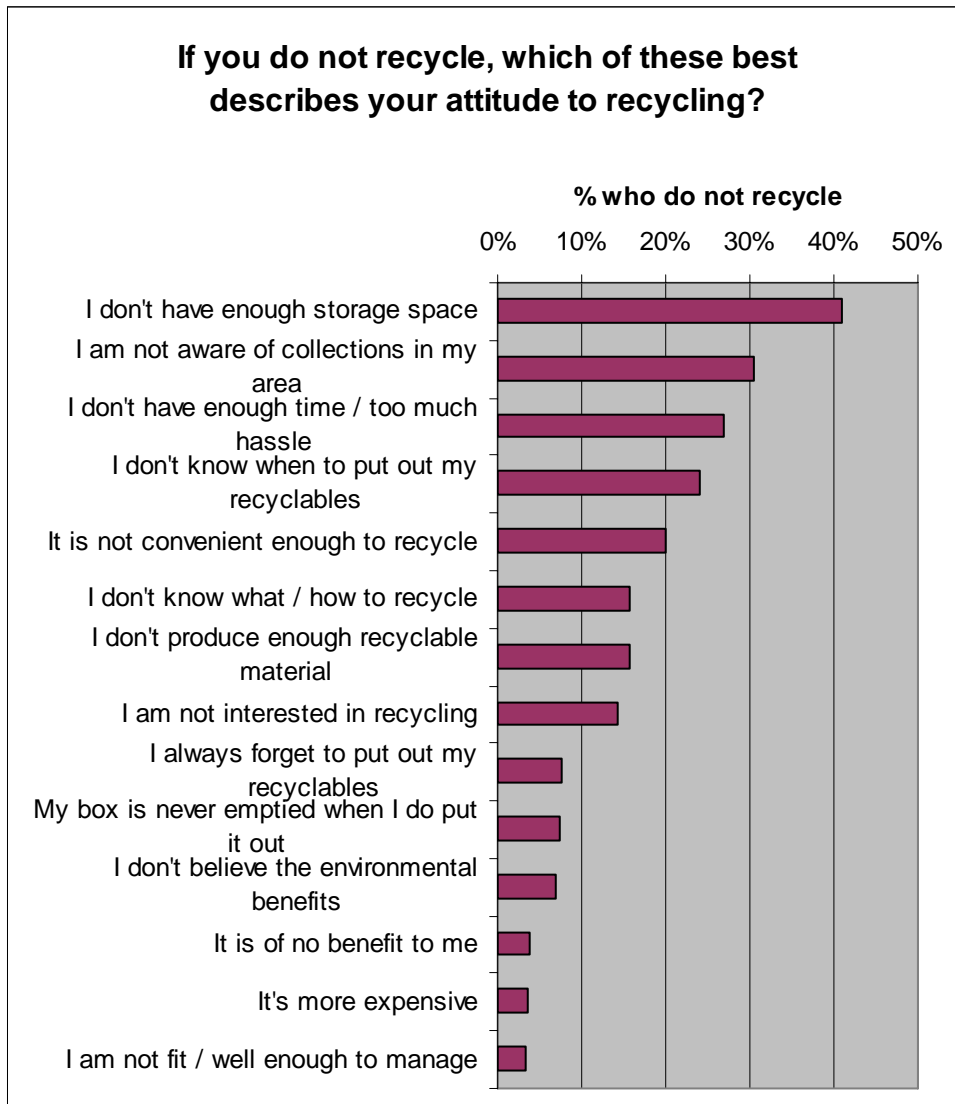
59. Just under half of people who recycle did so for practical reasons – such as saving space in their bin at home.

60. Separating out people who recycle if it does not require additional effort, and those who recycle *despite* the additional effort shows little difference in views. The key distinction – as we might expect – is that people who recycle despite the additional effort required felt much more strongly about each of the sentiments. This is with the exception of space saving where only 44% of committed recyclers thought this an important motivation – compared to 51% of those who recycle ‘if it does not require additional effort’.

61. When looking at this question by age, we can see some clear distinctions between different generations. A sense of social (or collective) responsibility is a more prevalent motivation amongst people aged over 65. However, an explicit environmental concern was more salient for younger age groups.
62. Interestingly, people aged over 65 were the most inclined to say that recycling was easy / no extra effort - 35% compared to 21% of people aged 25-44.

<b>If you do recycle, what motivates you?</b>				
	Percent of People Aged ...			
	Under 25	25-44	45-64	Over 65
It is good for the environment / saves resources	75.1%	79.8%	80.2%	69.0%
It is the responsible thing to do	55.5%	74.3%	77.2%	76.8%
It reduces the amount of rubbish going to landfill	60.5%	70.8%	73.6%	71.6%
It is good for future generations	44.9%	54.3%	60.1%	52.8%
It helps reduce pollution	39.0%	47.3%	54.4%	53.0%
It saves space in my bin / at home	42.5%	45.8%	49.1%	47.9%
I feel guilty if I don't	35.0%	36.6%	40.0%	40.6%
Because it is easy / no extra effort	22.6%	20.5%	28.6%	34.8%
It is good for the economy / creates jobs	15.1%	14.1%	23.2%	34.5%
<i>Total</i>	<i>212</i>	<i>945</i>	<i>793</i>	<i>402</i>

63. A significant number of people freely commented on the design of the recycling baskets at the end of the questionnaire. Of comments made, they almost exclusively concerned the design of the baskets. The reasons for this ranged from the baskets being too small, too heavy to carry when full (and therefore requested wheelie bins) and collected rain water if they were left out in the wet – through having no drainage holes in them.
64. A similar question was asked of those respondents who did not recycle. Curiously, despite space saving being a motivation for almost half of people who do recycle, a lack of space was seen as a barrier to recycling by over 40% of those who do not. A lack of awareness of the collection service in an area was cited as a reason in almost a third of cases. Similarly, not knowing the collection timetable was a rationale cited in a quarter of cases. This suggests that greater / more targeted advertising and promotion is key in encouraging more people to recycle.
65. Interestingly, a significant number of people freely raised the issue of being provided with more information about recycling. Some comments related directly to information on collection dates, local sites etc - but perhaps more interestingly, was a number of people requesting feedback on what happens to their own recycling – almost as a case study. It was suggested that this demonstrates a clear link between what people do and what then happens and thus encouraging people to take recycling more seriously. For example, it was suggested that specific feedback on what happens to West Berkshire's recyclable materials after they are collected – where they go, what is processed at that site and what happens to it after that.



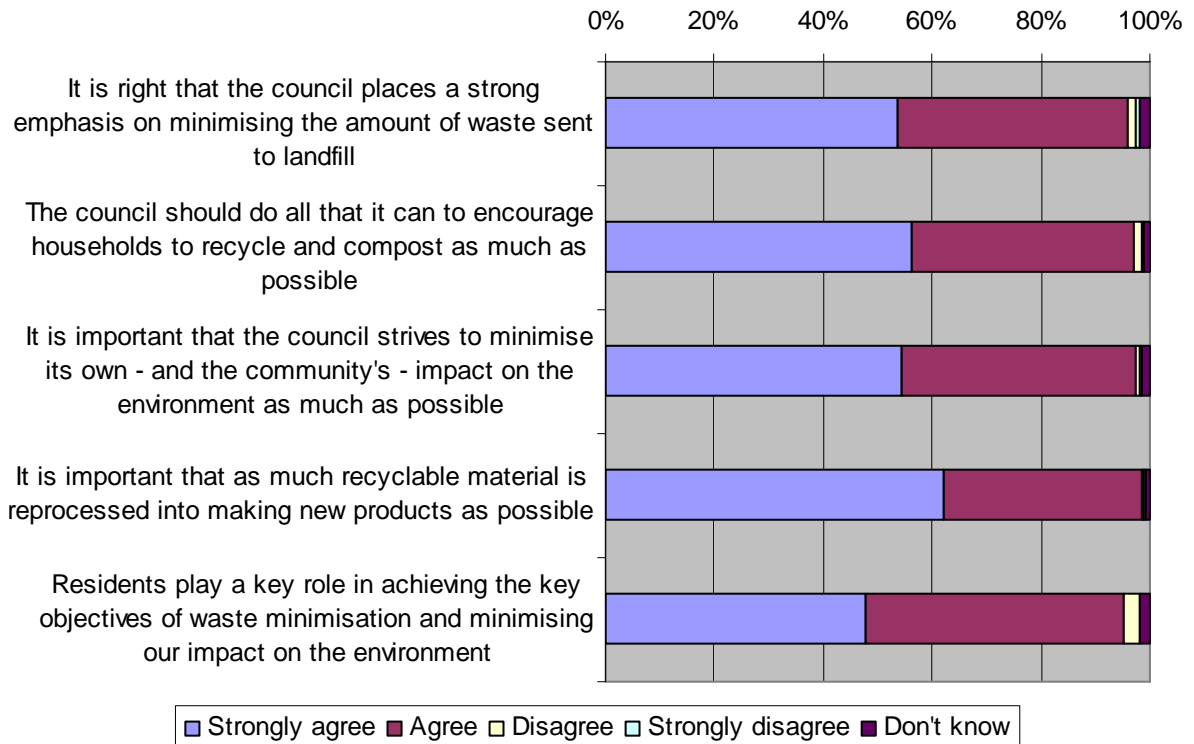
66. Encouragingly, a lack of interest was only cited in 14% of cases and cynicism of the environmental benefits in 7% of cases, suggesting that there is significant scope to encourage more people to recycle their waste.

**The extent to which people agree with the basic principles of waste management and what it is seeking to achieve.**

67. To test the extent to which people were in accordance with the basic principles set out in the Waste Management Strategy, respondents were asked to state how much they agreed or disagreed with a set of statements. The results are shown below.



**To what extent do you agree / disagree with the following statements:**



68. Immediately noticeable is the very small percentages of people who disagreed with each statement. Being such strikingly low proportions shows that people are generally signed up to the principles of 'reduce, reuse and recycle' irrespective of the extent to which they actually recycle.

69. More interesting however is the strength of feeling. More than half of residents strongly agreed with each statement – with the exception of the concept of residents themselves playing a key role, which just under half of residents strongly agreed.

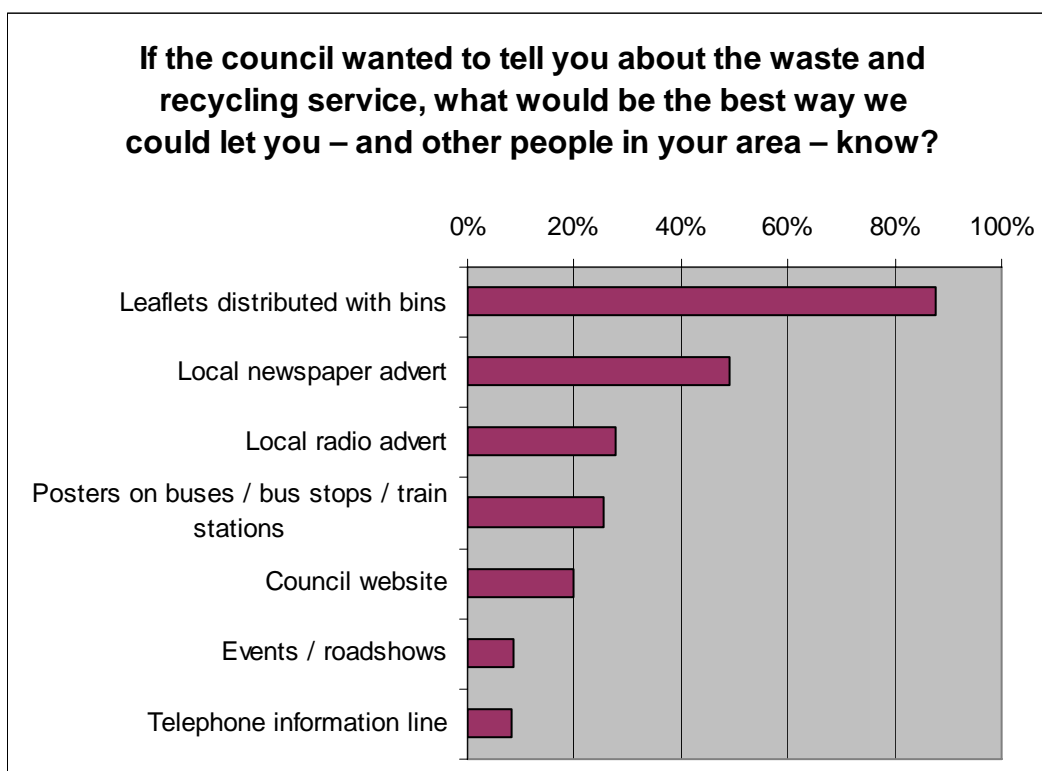
70. The graph above shows that residents felt the most strongly about reprocessing recyclable materials with 62% strongly agreeing with this statement. Interestingly, the next most supported concept was households being encouraged to recycle and compost as much as possible – 56% of residents agreed with this as a principle.

**How West Berkshire Council can best communicate with residents about changes to the waste management service.**

71. The final set of questions in the survey asked for the best way in which information can be best communicated to local residents.

72. The first question specifically asked what residents thought would be the best way the Council could best communicate with them. By far the most popular

means was through leaflets distributed when the bins are collected – confirmed by almost 9 out of 10 residents. An advert in the local newspaper was also popular with just under a half of residents. 28% thought that an advert on the local radio would be a good way to communicate. Events / roadshows and a telephone information line, were the least popular, thought useful by less than 10% of residents.

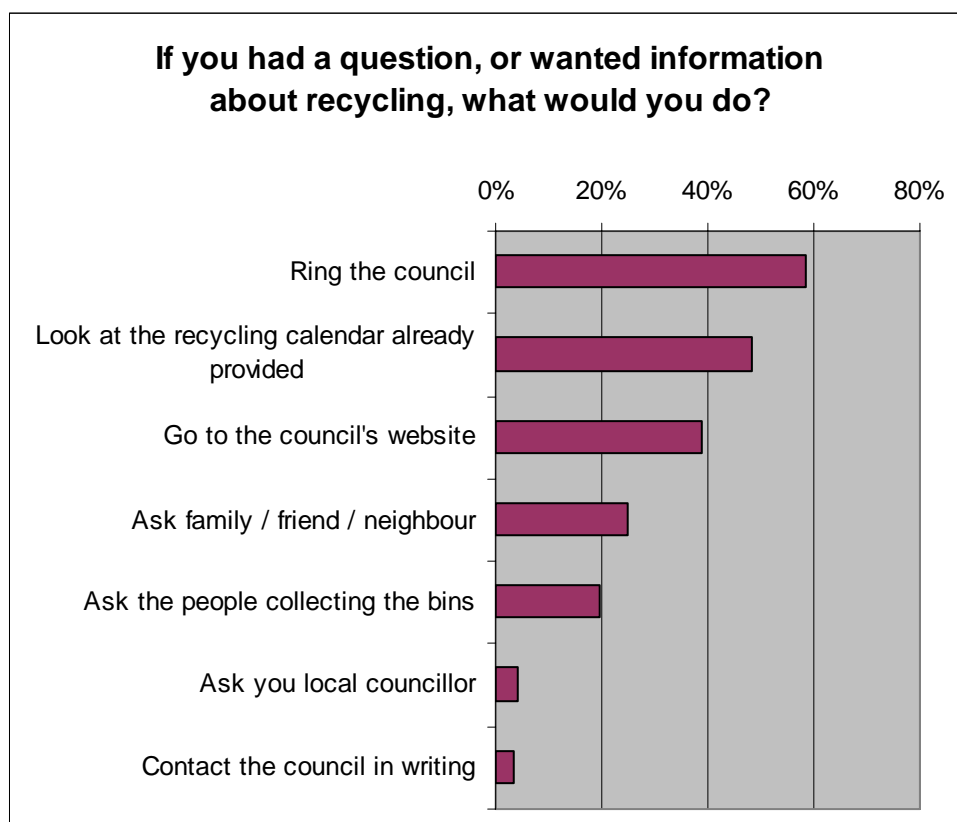


73. The below shows preferences for communication channels by different age group. Leaflets distributed during the bin collection remained universally popular across the age groups. Similarly, local newspaper adverts was consistently thought useful by a half of respondents, irrespective of age group.

<b>If the council wanted to tell you about the waste and recycling service, what would be the best way we could let you – and other people in your area – know?</b>				
	Percent of Residents Aged ...			
	Under 25	25-44	45-64	Over 65
Leaflets distributed with bins	82.4%	86.4%	89.7%	90.6%
Local newspaper advert	50.9%	47.0%	50.0%	51.0%
Local radio advert	34.4%	31.5%	27.3%	17.1%
Posters on buses / bus stops / train stations	39.1%	26.9%	23.8%	18.7%
Council website	18.1%	23.1%	22.1%	9.0%
Events / roadshows	6.2%	9.3%	9.6%	5.9%
Telephone information line	8.3%	8.0%	8.6%	7.7%
<i>Total</i>	<i>218</i>	<i>987</i>	<i>815</i>	<i>412</i>

74. However, as the graph shows, any communication targeted through local radio, posters on public transport or through the internet would disproportionately exclude older sections of the population.

75. As well as how best to passively receive information, respondents were also asked what would they do if they actively needed to find something out.



76. We can see clearly that more than half of all residents would phone the Council in order to get their question answered. Encouragingly, just under half of residents say they would look at the recycling calendar already provided. This was an information leaflet sent out by West Berkshire Council and distributed to all households when refuse was collected. The leaflet was sent out August 2006 and contained a timetable for kerbside recycling collection from October 2006 to March 2007; information on what can be left out and where people can take other non-collectable recyclable as well as more general information on the Council's 'Cleaner, Greener' campaign.

77. Nearly 40% of residents said they would look at the Council's website for information, implying that properly advertised and signposted, [westberks.gov.uk/recycle](http://westberks.gov.uk/recycle) is a powerful tool for the Council in disseminating information

78. Looking at this question by age we can see how people's propensity to ring the Council increases through the generations. A similar pattern emerges whereby it is the older age groups who are more likely to have retained / been aware of the recycling calendar circulated with the bins. Propensity to look at the Council's website directly declines with age although interestingly younger age groups are much more likely to ask friends / family / neighbours than older age groups.

**If you had a question, or wanted information about recycling, what would you do?**

	Percent of Residents Aged ...			
	Under 25	25-44	45-64	Over 65
Ring the council	36.5%	54.0%	65.4%	68.5%
Look at the recycling calendar already provided	33.5%	42.1%	53.3%	61.4%
Go to the council's website	42.9%	51.8%	36.8%	8.8%
Ask family / friend / neighbour	39.0%	29.9%	19.1%	16.8%
Ask the people collecting the bins	24.7%	17.8%	18.5%	23.5%
Ask you local councillor	8.1%	2.4%	3.9%	7.7%
Contact the council in writing	5.6%	2.1%	3.2%	6.1%
<i>Total</i>	<i>224</i>	<i>983</i>	<i>814</i>	<i>405</i>

**SUMMARY**

79. West Berkshire Council is responsible for collecting and disposing of about 82,000 tonnes of municipal waste per year. 18% of West Berkshire's household waste was recycled and composted during 2004/5 - a 1% increase on the previous year. Central government have introduced increasingly stretching targets to increase the amount of waste recycled and composted. As this survey shows, there is significant scope - and willingness - on residents' part to reduce the amount of waste sent to landfill.
80. Nearly three quarters say that they recycle 'everything' or 'a lot' and more than half of residents say they are willing – and do – recycle despite any additional effort required. Significantly however, a quarter of people overall say that they recycle only 'sometimes'. Similarly, 41% of people say they only recycle if 'no additional effort is required'.
81. Unprompted, nearly 600 people raised extending the range of materials collected from their homes as a key, significant improvement to the service. In terms of what is already collected however, the survey shows some uncertainty as to what can be included since a smaller proportion of people recycle aluminium cans than either glass or paper – despite all of these materials being included in the scheme.
82. The recycling calendar distributed in the summer 2006 appears to have been successful initiative – consulted by almost half of residents. However, a lack of awareness of the service and not knowing the timetable was cited by a number of non-recyclers. Further awareness raising would therefore be beneficial, reinforcing what will be collected and when and where non-collectables can be taken. Important to encouraging take up however could be to include information on *why* some materials are not included in home collection and what happens to the material once it is collected.

83. Older age groups are more likely to say they recycle more implying that further efforts to increase people's propensity to recycle could be usefully targeted at younger generations.
84. Similarly, residents in Newbury / Thatcham are much more likely to recycle materials which are *not* included as part of the kerbside collection scheme (i.e. plastics and cardboard), suggesting that promotion could also be targeted in the more rural areas and in particular in the Reading suburbs.
85. A significant proportion of households do some form of home composting and the Council's promotion of cheaper compost seems to have been particularly successful – especially in the more urban areas where proportionately less people compost. However despite this, garden waste is by far the most common material taken to household recycling centres (in two thirds of cases).
86. Household waste recycling centres are well used services, visited by over three quarters of West Berkshire households in the past 12 months. Residents in Newbury / Thatcham are the most likely to go to a centre - and more frequently. Residents in the Reading suburbs are the least likely.
87. After green waste and electrical items, cardboard is the most common material taken to 'the tip'. This is not collected from people's doorstep.
88. Significantly, general household waste was another significant item – taken by almost half of all residents who had been.
89. In terms of appealing to people to reduce the amount of waste they produce, environmental concern was the prevalent motivation for people to recycle. Altruism is another significant factor. Older generations were more likely to do so out of a sense of social responsibility, whereas younger people were more likely to note an explicit environmental concern. Interestingly, older people were more likely to say that recycling was easy and / or did not require any additional effort.
90. Despite almost half of those who do recycle saying it saves space, a significant proportion (40%) on non-recyclers cite a lack of space at home as a barrier.
91. There was almost universal support for the some of the key principles set out in the Waste Management Strategy – emphasis on diverting waste from landfill, encouraging households to recycle more and the key role residents play in waste minimisation. More interesting however is the strength of feeling in that more than half of residents 'strongly agree' with all bar one of the statements, as opposed to simply and more passively 'agreed'.
92. Direct communication with households via the doorstep collection service was the most effective means of letting people know about the recycling and waste collection. An advert in the local paper was sanctioned by half of residents. Other media – such as radio adverts, posters and the website – although thought useful by some residents, would disproportionately miss - particularly older - proportions of the population.
93. In terms of residents actively seeking information – ringing the Council itself was the most common method. The recycling calendar provided by the Council in the summer 2006 is thought to have been a successful enterprise with almost half of residents reporting that they use this. Encouragingly, the Council's website was

cited in nearly 40% of residents implying that [westberks.gov.uk/recycle](http://westberks.gov.uk/recycle) is a useful and powerful tool for disseminating information.

94. This survey shows that there is significant sign up amongst West Berkshire residents to the principles and rationale for recycling and composting. This is in most cases demonstrated by residents actions and activities. The survey does not show a lack of interest or cynicism of the environmental benefits to be especially prevalent. Perhaps most telling however is the proportion of people who will only contribute if no substantive additional effort is required. It is the process of influencing this group – through promotional and information campaigns and making the activity of recycling easier and more pervasive – which will prove most telling in allowing West Berkshire Council to successfully divert waste from land fill and achieving a more sustainable position in waste management.

Jason Teal  
Policy and Communication  
January 2007.

## SUPPORTING TABLES

### Q1 Do you do any of the following to reduce the amount of waste you produce?

	Age				
	Under 25	25-44	45-64	65 or older	All
Buy loose foods	56.0%	67.4%	72.5%	69.2%	68.4%
Use cloth / reusable plastic bags	65.7%	54.1%	61.5%	72.7%	60.9%
Use refillable containers	50.6%	39.8%	41.8%	41.2%	41.7%
Avoid overpackaged goods	27.6%	37.3%	47.7%	43.7%	41.1%
Buy rechargeable batteries	44.1%	43.2%	44.1%	27.8%	40.9%
<i>N</i>	<i>201</i>	<i>877</i>	<i>751</i>	<i>392</i>	<i>2221</i>

	Area			
	Downlands	Eastern Area	Newbury / Thatcham	Kennet & Pang
Buy loose foods	71.5%	67.6%	64.3%	74.0%
Use cloth / reusable plastic bags	60.5%	63.2%	62.2%	56.2%
Use refillable containers	40.0%	42.2%	41.2%	43.2%
Avoid overpackaged goods	44.5%	37.3%	39.3%	46.2%
Buy rechargeable batteries	40.1%	40.4%	42.1%	40.0%
<i>N</i>	<i>483</i>	<i>468</i>	<i>834</i>	<i>395</i>

### Q2 Which of the following items do you recycle?

	Age				
	Under 25	25-44	45-64	65 or older	All
Recycle paper	82.5%	81.0%	88.5%	96.9%	86.4%
Recycle glass	77.1%	81.3%	84.6%	85.0%	82.7%
Donate clothes	69.9%	75.5%	72.1%	55.8%	70.4%
Recycle cans	66.0%	66.7%	67.0%	73.6%	68.0%
Recycle green waste	33.5%	45.7%	56.8%	49.4%	49.0%
Recycle cardboard	46.7%	47.5%	49.3%	46.1%	47.8%
Donate books	43.9%	42.9%	47.1%	39.9%	43.9%
Recycle plastics	29.4%	33.2%	30.2%	25.5%	30.5%
Donate furniture	30.4%	29.9%	34.0%	24.3%	30.4%
<i>N</i>	<i>219</i>	<i>964</i>	<i>814</i>	<i>422</i>	<i>2419</i>

	Area			
	Downlands	Eastern Area	Newbury / Thatcham	Kennet & Pang
Recycle paper	88.1%	87.2%	85.3%	85.5%
Recycle glass	84.2%	81.4%	80.4%	87.5%
Donate clothes	68.9%	69.7%	71.8%	70.4%
Recycle cans	66.7%	70.4%	67.3%	69.7%
Recycle green waste	51.6%	37.2%	51.7%	53.8%
Recycle cardboard	45.5%	46.0%	51.4%	45.4%
Donate books	37.9%	47.5%	43.9%	47.3%
Recycle plastics	27.6%	26.8%	34.0%	30.5%
Donate furniture	31.0%	22.8%	36.1%	27.3%
<i>N</i>	536	512	906	416

**Q3 Overall, which of the following statements best describes how much you recycle?**

	Age				
	Under 25	25-44	45-64	65 or older	All
I recycle everything which can be recycled	9.3%	11.9%	16.1%	28.2%	15.8%
I recycle a lot, but not all that can be recycled	51.5%	53.5%	62.0%	58.3%	57.0%
I recycle sometimes	33.0%	29.6%	20.2%	11.8%	23.8%
I do not recycle	6.2%	5.0%	1.7%	1.7%	3.4%
<i>N</i>	227	1001	820	415	2463

	Area			
	Downlands	Eastern Area	Newbury / Thatcham	Kennet & Pang
I recycle everything which can be recycled	14.8%	14.7%	16.6%	16.3%
I recycle a lot, but not all that can be recycled	60.0%	57.7%	54.4%	57.3%
I recycle sometimes	22.1%	23.2%	25.5%	23.8%
I do not recycle	3.1%	4.4%	3.5%	2.6%
<i>N</i>	542	525	924	424

**Q4 Do you compost at home?**

	Age				
	Under 25	25-44	45-64	65 or older	All



	25		older		
Yes	37.1%	35.4%	49.8%	49.0%	42.6%
No	62.9%	64.6%	50.2%	51.0%	57.4%
<i>N</i>	229	1007	824	429	2489

	Area			
	Downlands	Eastern Area	Newbury / Thatcham	Kennet & Pang
Yes	51.0%	35.0%	36.9%	54.5%
No	49.0%	65.0%	63.1%	45.5%
<i>N</i>	549	528	937	426

**Q5 If yes, what sort of container do you use for home composting?**

	Age				
	Under 25	25-44	45-64	65 or older	All
Homemade compost bin / heap	64.4%	45.0%	54.9%	55.3%	52.4%
Council promotion compost bin	23.3%	36.6%	35.3%	33.5%	34.4%
Privately bought compost bin	28.1%	26.3%	24.1%	23.6%	25.1%
Wormery	4.8%	2.4%	2.2%	3.0%	2.6%
Green cone / digester	2.7%	.3%	1.5%	2.1%	1.3%
<i>N</i>	82	350	407	202	1023

	Area			
	Downlands	Eastern Area	Newbury / Thatcham	Kennet & Pang
Homemade compost bin / heap	62.2%	40.0%	41.9%	64.3%
Council promotion compost bin	28.1%	42.4%	40.0%	27.3%
Privately bought compost bin	20.2%	30.9%	28.3%	21.1%
Wormery	2.7%	1.2%	3.9%	2.1%
Green cone / digester	1.3%	1.2%	.7%	2.1%
<i>N</i>	274	182	336	231

**Q6 Have you been to a household recycling centre (i.e. the tip) in the past 12 months?**

	Age				
	Under 25	25-44	45-64	65 or older	All
Yes	67.9%	83.1%	82.5%	62.6%	78.1%

No	32.1%	16.9%	17.5%	37.4%	21.9%
<i>N</i>	224	1001	822	412	2458

	Area			
	Downlands	Eastern Area	Newbury / Thatcham	Kennet & Pang
Yes	75.9%	70.6%	85.5%	74.0%
No	24.1%	29.4%	14.5%	26.0%
<i>N</i>	544	523	924	420

**Q7 Which household recycling centre do you normally go to?**

	<i>N</i>	Percent of Cases
Pinchington Lane, Newbury	1311	69.0%
Paices Hill, nr Aldermaston	90	4.7%
Island Road, Reading	394	20.8%
Other site, outside of West Berkshire	104	5.5%
<i>N</i>	1899	

**Q8 Approximately, how many times have you been to a household recycling centre in the past 12 months?**

	Area				
	Downlands	Eastern Area	Newbury / Thatcham	Kennet & Pang	All
More than 15 times a year	19.4%	7.9%	24.8%	15.9%	18.7%
Between 10-15 times a year	12.9%	10.4%	16.6%	9.1%	13.2%
Between 5-10 times a year	21.6%	19.7%	25.3%	27.9%	24.0%
About 3-4 times in past year	24.5%	29.2%	20.6%	24.0%	23.8%
Once or twice	21.6%	32.8%	12.7%	23.1%	20.3%
<i>N</i>	412	366	790	308	1911

**Q9 What have you taken to a household recycling centre in the past year?**

	<i>N</i>	Percent of Cases
Garden waste	1247	64.9%

Electrical items	1013	52.7%
Cardboard	992	51.6%
General household waste	914	47.6%
Wood	712	37.0%
Plastic	627	32.6%
Textile / clothes	618	32.2%
Glass	572	29.8%
Scrap metal	573	29.8%
Paper	547	28.5%
Soil and rubble	495	25.7%
Furniture for donation	446	23.2%
Cans and tins	389	20.3%
Fridges / freezers	345	17.9%
Car Batteries	266	13.8%
Engine oil	215	11.2%
Gas canisters	45	2.3%
Asbestos	32	1.6%

**Q10 Overall, which of the following best describes your attitude to recycling?**

	Age				
	Under 25	25-44	45-64	65 or older	All
I recycle, even if it requires additional effort	45.4%	47.8%	62.6%	59.1%	54.3%
I recycle if it does not require additional effort	45.9%	45.7%	33.9%	39.1%	40.7%
I do not recycle	8.7%	6.6%	3.4%	1.8%	5.0%
<i>N</i>	229	1001	813	396	2438

	Area			
	Downlands	Eastern Area	Newbury / Thatcham	Kennet & Pang
I recycle, even if it requires additional effort	56.9%	49.1%	55.8%	54.4%
I recycle if it does not require additional effort	39.0%	45.6%	38.5%	41.3%
I do not recycle	4.1%	5.2%	5.6%	4.3%
<i>N</i>	538	515	921	419

**Q11 If you DO NOT recycle, which of these best describes how you feel?**

	Age				
	Under 25	25-44	45-64	65 or older	All
I don't have enough storage space	45.1%	42.1%	48.5%	16.2%	41.0%
I am not aware of collections in my area	64.6%	28.5%	16.5%	21.2%	30.4%
I don't have enough time / too much hassle	12.8%	35.5%	25.2%	12.5%	27.0%
I don't know when to put out my recyclables	12.8%	29.4%	32.0%	.0%	24.0%
It is not convenient enough to recycle	.0%	26.0%	24.3%	11.3%	19.9%
I don't know what / how to recycle	.0%	21.5%	21.4%	.0%	15.7%
I don't produce enough recyclable material	19.5%	6.9%	16.5%	46.3%	15.6%
I am not interested in recycling	25.7%	16.4%	6.8%	5.0%	14.3%
I always forget to put out my recyclables	.0%	9.5%	9.7%	5.0%	7.6%
My box is never emptied when I do put it out	9.7%	10.3%	2.9%	.0%	7.4%
I don't believe the environmental benefits	12.8%	5.2%	9.7%	.0%	6.8%
It is of no benefit to me	.0%	2.6%	10.7%	.0%	3.7%
It's more expensive	9.7%	.0%	6.8%	5.0%	3.6%
I am not fit / well enough to manage	.0%	.0%	2.9%	22.5%	3.3%
<i>N</i>	17	58	26	13	102

	Area			
	Downlands	Eastern Area	Newbury / Thatcham	Kennet & Pang
I don't have enough storage space	51.9%	50.6%	29.3%	36.9%
I am not aware of collections in my area	43.2%	27.6%	31.8%	22.9%
I don't have enough time / too much hassle	12.1%	26.4%	31.3%	24.1%
I don't know when to put out my recyclables	33.3%	22.4%	25.3%	17.6%
It is not convenient enough to recycle	15.5%	18.7%	17.7%	29.1%
I don't know what / how to recycle	17.9%	3.0%	18.4%	25.1%
I don't produce enough recyclable material	20.6%	9.9%	16.6%	17.9%
I am not interested in recycling	7.7%	11.8%	17.9%	17.7%
I always forget to put out my recyclables	11.2%	15.3%	3.7%	5.0%
My box is never emptied when I do put it out	5.1%	.0%	10.9%	11.4%
I don't believe the environmental benefits	11.5%	3.0%	6.9%	7.6%
It is of no benefit to me	.0%	4.1%	6.9%	.0%
It's more expensive	.0%	5.8%	5.7%	.0%
I am not fit / well enough to manage	4.3%	3.4%	3.0%	3.4%
<i>N</i>	20	25	48	20

**Q12 If you DO recycle, who is responsible for sorting out the recycling in your household?**

	Age				All
	Under 25	25-44	45-64	65 or older	
Joint responsibility	57.7%	63.2%	63.1%	51.0%	60.6%
Male Adult	16.3%	12.7%	13.7%	17.8%	14.3%
Female Adult	26.0%	24.0%	23.2%	30.2%	25.0%
Other	.0%	.1%	.0%	1.0%	.2%
<i>N</i>	208	929	793	398	2328

	Area			
	Downlands	Eastern Area	Newbury / Thatcham	Kennet & Pang
Joint responsibility	62.5%	63.2%	57.5%	60.4%
Male Adult	12.7%	11.9%	16.3%	14.2%
Female Adult	24.7%	24.9%	25.8%	24.9%
Other	.0%	.0%	.3%	.5%
<i>N</i>	518	494	864	409

	Number of adults in the household			
	1	2	3	4 or more
Joint responsibility	8.8%	68.2%	65.0%	73.1%
Male Adult	36.6%	10.0%	13.9%	12.5%
Female Adult	54.6%	21.8%	21.1%	14.1%
<i>N</i>	292	1447	330	242

### Q13 What motivates you to recycle?

	<i>N</i>	Percent of Cases
It is good for the environment / saves resources	1827	77.6%
It is the responsible thing to do	1741	74.0%
It reduces the amount of rubbish going to landfill	1670	71.0%
It is good for future generations	1298	55.2%
It helps reduce pollution	1174	49.9%
It saves space in my bin / at home	1105	47.0%
I feel guilty if I don't	900	38.3%
Because it is easy / no extra effort	608	25.8%
It is good for the economy / creates jobs	488	20.8%

	Age
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	Under 25	25-44	45-64	65 or older
It is good for the environment / saves resources	75.1%	79.8%	80.2%	69.0%
It is the responsible thing to do	55.5%	74.3%	77.2%	76.8%
It reduces the amount of rubbish going to landfill	60.5%	70.8%	73.6%	71.6%
It is good for future generations	44.9%	54.3%	60.1%	52.8%
It helps reduce pollution	39.0%	47.3%	54.4%	53.0%
It saves space in my bin / at home	42.5%	45.8%	49.1%	47.9%
I feel guilty if I don't	35.0%	36.6%	40.0%	40.6%
Because it is easy / no extra effort	22.6%	20.5%	28.6%	34.8%
It is good for the economy / creates jobs	15.1%	14.1%	23.2%	34.5%
<i>N</i>	212	945	793	402

	Area			
	Downlands	Eastern Area	Newbury / Thatcham	Kennet & Pang
It is good for the environment / saves resources	80.8%	77.2%	75.6%	78.8%
It is the responsible thing to do	77.0%	72.7%	72.4%	75.7%
It reduces the amount of rubbish going to landfill	73.5%	69.8%	70.3%	72.0%
It is good for future generations	61.2%	55.3%	52.5%	53.5%
It helps reduce pollution	54.0%	49.1%	46.5%	53.5%
It saves space in my bin / at home	47.0%	48.7%	47.5%	43.7%
I feel guilty if I don't	40.4%	38.3%	37.0%	39.2%
Because it is easy / no extra effort	29.4%	26.5%	26.4%	20.3%
It is good for the economy / creates jobs	22.8%	18.9%	22.1%	17.6%
<i>N</i>	522	497	879	411

**Q14 To what extent do you agree / disagree with the following statements?**

	Str. agree	Agree	Disagree	Str. disagree	Don't know	<i>N</i>
It is right that the council places a strong emphasis on minimising the amount of waste sent to landfill	53.8%	42.3%	1.5%	0.4%	2.0%	2411
The council should do all that it can to encourage households to recycle and compost as much as possible	56.1%	40.9%	1.4%	0.5%	1.1%	2427
It is important that the council strives to minimise its own - and the community's - impact on the environment as much as possible	54.4%	42.9%	0.8%	0.3%	1.6%	2397
It is important that as much	62.1%	36.3%	0.6%	0.1%	0.9%	2415

recyclable material is reprocessed into making new products as possible						
Residents play a key role in achieving the key objectives of waste minimisation and minimising our impact on the environment	47.8%	47.3%	2.9%	0%	2.0%	2389

**Q15 If the Council wanted to let you know about the waste and recycling service, what would be the best way we could let you – and other people in your area – know?**

	Age				
	Under 25	25-44	45-64	65 or older	All
Leaflets distributed with bins	82.4%	86.4%	89.7%	90.6%	87.8%
Local newspaper advert	50.9%	47.0%	50.0%	51.0%	49.0%
Local radio advert	34.4%	31.5%	27.3%	17.1%	27.9%
Posters on buses / bus stops / train stations	39.1%	26.9%	23.8%	18.7%	25.5%
Council website	18.1%	23.1%	22.1%	9.0%	19.9%
Events / roadshows	6.2%	9.3%	9.6%	5.9%	8.5%
Telephone information line	8.3%	8.0%	8.6%	7.7%	8.2%
<i>N</i>	218	987	815	412	2432

	Area			
	Downlands	Eastern Area	Newbury / Thatcham	Kennet & Pang
Leaflets distributed with bins	87.9%	89.9%	85.6%	90.7%
Local newspaper advert	50.9%	40.9%	58.9%	35.8%
Local radio advert	25.1%	32.3%	27.3%	26.8%
Posters on buses / bus stops / train stations	23.3%	28.6%	26.9%	22.7%
Council website	19.7%	22.4%	19.0%	20.1%
Events / roadshows	8.4%	9.1%	8.2%	9.4%
Telephone information line	8.5%	9.6%	7.6%	7.2%
<i>N</i>	532	522	916	416

**Q16 If you had a question, or wanted information, about recycling, what would you do?**

	Age				
	Under 25	25-44	45-64	65 or older	All
Ring the Council	36.5%	54.0%	65.4%	68.5%	58.6%
Look at the recycling calendar already provided	33.5%	42.1%	53.3%	61.4%	48.3%
Go to the council's website	42.9%	51.8%	36.8%	8.8%	38.8%
Ask family / friend / neighbour	39.0%	29.9%	19.1%	16.8%	24.9%
Ask the people collecting the bins	24.7%	17.8%	18.5%	23.5%	19.6%
Ask you local councillor	8.1%	2.4%	3.9%	7.7%	4.3%
Contact the council in writing	5.6%	2.1%	3.2%	6.1%	3.5%
<i>N</i>	224	983	814	405	2426

	Area			
	Downlands	Eastern Area	Newbury / Thatcham	Kennet & Pang
Ring the council	56.4%	65.3%	57.5%	56.7%
Look at the recycling calendar already provided	53.7%	49.1%	46.6%	45.0%
Go to the council's website	33.7%	42.5%	38.4%	41.1%
Ask family / friend / neighbour	26.4%	24.0%	25.3%	22.7%
Ask the people collecting the bins	20.8%	17.9%	21.5%	16.3%
Ask you local councillor	4.6%	3.1%	4.8%	3.9%
Contact the council in writing	3.8%	4.7%	2.8%	2.6%
<i>N</i>	541	514	903	422



# Recycle for West Berkshire

The purpose of this survey is to find out your views - and how you use - West Berkshire Council's waste and recycling services. This will help us to make sure we are providing a service which meets your needs.

Please take a few moments to read the accompanying information leaflet before answering the following questions.

If you would like this questionnaire in a larger format, please either write to: The Recycling Team, West Berkshire Council, Market Street, Newbury, RG14 5LD, or email [recycle@westberks.gov.uk](mailto:recycle@westberks.gov.uk) who will send one in the post to you.

Please return your completed questionnaire **by 17th November** to West Berkshire Council either in the FREEPOST envelope provided, or (no stamp required) to: FREEPOST-RECYCLING SURVEY, West Berkshire Council, Market St, Newbury, RG14 5LD.

## Section 1 - How much do you recycle?

**Q1 Do you do any of the following to reduce the amount of waste you produce?**

*(PLEASE TICK ALL THAT APPLY)*

- Avoid overpackaged goods* .....
  - Buy loose food* .....
  - Use refillable containers*.....
  - Use cloth / reusable plastic shopping bags* .....
  - Buy rechargeable batteries* .....
  - None of these*.....
  - Other*
- 

**Q2 Which of the following items do you recycle?**

*(PLEASE TICK ALL THAT APPLY)*

- |                                                 |                                                            |                                                 |
|-------------------------------------------------|------------------------------------------------------------|-------------------------------------------------|
| <i>Glass</i> ..... <input type="checkbox"/>     | <i>Cans</i> ..... <input type="checkbox"/>                 | <i>Furniture</i> ..... <input type="checkbox"/> |
| <i>Paper</i> ..... <input type="checkbox"/>     | <i>Plastics</i> ..... <input type="checkbox"/>             | <i>Books</i> ..... <input type="checkbox"/>     |
| <i>Cardboard</i> ..... <input type="checkbox"/> | <i>Green / garden waste</i> ..... <input type="checkbox"/> | <i>Clothes</i> ..... <input type="checkbox"/>   |
| <i>Other</i>                                    |                                                            |                                                 |
- 

**Q3 Overall, which of the following statements best describes how much you recycle?**

- I do not recycle* .....
- I recycle sometimes*.....
- I recycle a lot, but not everything that can be recycled* .....
- I recycle everything that can be recycled* .....

**Q4 Do you compost at home?** Yes ....  No .....  Please go to Q6

**Q5 If yes, what sort of container do you use for home composting?**

- Compost bin (from council promotion)*.  *Wormery*.....
- Compost bin (bought privately)*.....  *Green cone / digester*.....
- Homemade compost bin / heap*.....

**Q6** Have you been to a household recycling centre (i.e. the tip) in the past 12 months?  
Yes .....  No .....  Please go to Q10

**Q7** Which household recycling centre do you normally go to?

- Pinchington Lane, Newbury .....   
Paices Hill, near Aldermaston .....   
Island Road, Reading .....   
Other site, outside of West Berkshire.....

**Q8** Approximately how many times have you been to a household waste recycling centre, in the past 12 months?

- More than 15 times in the past year ...  About 3 or 4 times in the past year ....   
Between 10 - 15 times.....  Once or twice .....   
Between 5 - 10 times .....

**Q9** What have you taken to the household waste recycling centre in the past year?

(TICK ALL THAT APPLY)

- |                                                 |                                                       |                                                   |
|-------------------------------------------------|-------------------------------------------------------|---------------------------------------------------|
| Asbestos ..... <input type="checkbox"/>         | Fridges / freezers..... <input type="checkbox"/>      | Paper ..... <input type="checkbox"/>              |
| Car Batteries..... <input type="checkbox"/>     | Furniture for donation ..... <input type="checkbox"/> | Plastic ..... <input type="checkbox"/>            |
| Cans and tins ..... <input type="checkbox"/>    | Garden waste ..... <input type="checkbox"/>           | Scrap metal ..... <input type="checkbox"/>        |
| Cardboard..... <input type="checkbox"/>         | Gas canisters ..... <input type="checkbox"/>          | Soil and rubble ..... <input type="checkbox"/>    |
| Electrical items ..... <input type="checkbox"/> | General household waste ... <input type="checkbox"/>  | Textiles / clothes ..... <input type="checkbox"/> |
| Engine oil ..... <input type="checkbox"/>       | Glass..... <input type="checkbox"/>                   | Wood ..... <input type="checkbox"/>               |

## Section 2 - What do you think about recycling??

**Q10** Overall, which of the following statements best describes your attitude to recycling?

- I do not recycle .....  Please go to Q11  
I recycle if it does not require additional effort.....  Please go to Q12  
I recycle, even if it requires additional effort .....  Please go to Q12

**Q11** If you DO NOT recycle, which of these describes how you feel?

(PLEASE TICK ALL THAT APPLY)

- |                                                                         |                                                                           |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------|
| I am not aware of collections in my area ..... <input type="checkbox"/> | I am not fit / well enough to manage..... <input type="checkbox"/>        |
| It is not convenient enough to recycle ..... <input type="checkbox"/>   | I always forget to put out my recyclables ..... <input type="checkbox"/>  |
| I am not interested in recycling..... <input type="checkbox"/>          | I don't know when to put out my recyclables ... <input type="checkbox"/>  |
| I don't have enough time / too much hassle .. <input type="checkbox"/>  | My box is never emptied when I do put it out... <input type="checkbox"/>  |
| I don't have enough storage space ..... <input type="checkbox"/>        | It's more expensive ..... <input type="checkbox"/>                        |
| I don't produce enough recyclable material.... <input type="checkbox"/> | I don't believe the environmental benefits ..... <input type="checkbox"/> |
| I don't know what / how to recycle ..... <input type="checkbox"/>       | It is of no benefit to me ..... <input type="checkbox"/>                  |
- Other

(Now please go to Q14)

**Q12** If you DO recycle, who is responsible for sorting out the recycling in your household?

- Joint responsibility .....   
Male adult.....   
Female adult .....   
Child.....   
Other .....

**Q13** What motivates you to recycle?

(PLEASE TICK ALL THAT APPLY)

- |                                                                                   |                                                                          |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| It reduces the amount of rubbish going to landfill ..... <input type="checkbox"/> | It is good for the economy / creates jobs ..... <input type="checkbox"/> |
| It saves space in my waste bin / at home ..... <input type="checkbox"/>           | It is good for future generations ..... <input type="checkbox"/>         |
| It is good for the environment / saves resources ..... <input type="checkbox"/>   | I feel guilty if I don't ..... <input type="checkbox"/>                  |

- It is the responsible thing to do.....  Because it is easy / is no extra effort .....   
 It helps to reduce pollution .....   
 Other
- 

**Q14 To what extent do you agree or disagree with the following statements:**

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know
It is right that the Council places a strong emphasis on minimising the amount of waste sent to landfill.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Council should do all that it can to encourage households to recycle and compost as much as possible	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It is important that the Council strives to minimise its own - and the community's - impact on the environment as much as possible.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
It is important that as much recyclable material is reprocessed into making new products as possible.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Residents play a key role in achieving the key objectives of waste minimisation and minimising our impact on the environment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Section 3 – Communication**

**Q15 If the Council wanted to tell you about the waste and recycling service, what would be the best way we could let you - and other people in your area - know?**

(PLEASE TICK ALL THAT APPLY)

- Local radio advert .....  Telephone information line.....   
 Local newspaper advert .....  Leaflets distributed with bins .....   
 Posters on buses / at busstops / train stations .  Events / roadshows.....   
 Council website .....  Don't care .....   
 Other
- 

**Q16 If you had a question, or wanted information, about recycling, what would you do?**

(PLEASE TICK ALL THAT APPLY)

- Ask friend / family member / neighbour .....  Go to the council's website .....   
 Ask the people collecting the rubbish / recycling.....  Ring the Council .....   
 Ask your local councillor .....  Contact the Council in writing .....   
 Look at the recycling calendar already provided.....  Nothing .....   
 Other
- 

**Section 4 - About you**

**Q17 Please can you tell us how old you are:**

- Under 25 .....  25-44 .....  45-64.....  65 or older .....

**Q18 Whether you are ... Male .....  Female.....**

**Q19 What is your ethnic group?**

- White .....   
 Black, or Black British .....   
 Asian, or Asian British .....   
 Mixed .....   
 Other .....

**Q20**      **How many people live in your household?**  
Adults \_\_\_\_\_  
Dependant children (i.e. under 18 years old) \_\_\_\_\_

**Q21**      **Please can you tell us your postcode?** \_\_\_\_\_

**Q22**      **Please use this space to tell us anything else you would like to say, but has not been covered by this questionnaire.**

DRAFT

**Q23**      **Thank you for taking the time to complete this questionnaire. We would like to keep you informed of the outcome of this survey. If you would like to prefer to receive an update by email, please provide your email address in the box below.**



## WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE

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### APPENDIX 6 - SWMPS AND THE PROCUREMENT PROCESS AND REFERENCE PROJECT.

Table 4.1 Addressing of the SWMP

SWMP	Addressing of SWMP	
SWMP 1	<p><i>West Berkshire in partnership with parish councils, community groups and other Agencies will seek to deliver a programme of awareness, promotion and publicity to encourage a fuller understanding of sustainable waste management issues and practices throughout the community.</i></p>	<p>Contract: The Contractor will provide, manage and operate an Education Centre designed to serve as a local centre for resource education and the promotion of waste minimisation and as a centre for Recycling and Composting and reuse within West Berkshire. The Contractor will develop, implement and operate a service that ensures effective community liaison including stakeholder consultation, educational, promotional and awareness activities, Service User feedback and appropriate measures for dealing with all communications. The Contractor will support these activities through a staff structure, which includes a Communications and Waste Minimisation Manager, a Recycling Promotions Officer and an Education Centre Assistant. These employees, in coordination with the Council staff will make links with schools and local community groups to encourage use of the centre.</p> <p>Output Spec: SO8. A service output dedicated to the provision, management and operation of an Education Centre designed to serve as a local centre for resource education, the promotion of waste minimisation and as a centre for recycling, composting and reuse within West Berkshire.</p> <p>The contractor shall develop, implement and operate a Service that ensures effective community liaison including stakeholder consultation, educational, promotional and awareness activities, Service User feedback and appropriate measures for dealing with all communications.</p> <p>Procurement Process: N/A Contract: As SWMP 1</p> <p>Output Spec: SO8. A service output dedicated to the provision, management and operation of an Education Centre designed to serve as a local centre for resource education, the promotion of waste minimisation and as a centre for recycling, composting and reuse within West Berkshire.</p>
SWMP 2	<p><i>West Berkshire will seek to engage in a full and interactive dialogue with all members of the community on waste management issues within West Berkshire. In doing so the Council will endeavour to ensure that all opinions are duly expressed and fully considered as part of any decision making process. The Council will ensure that the process of making such decisions is open and fully transparent to all in West Berkshire.</i></p>	
SWMP 3	<p><i>West Berkshire will enter into and maintain meaningful dialogue with the Environment Agency, nearby local authorities and other Agencies on the development of future waste management solutions for West Berkshire to ensure that our strategy and plans are both consistent and pragmatic in a Regional context.</i></p>	<p>Contract:</p> <p>Output Spec: SO8. The Contractor shall develop, implement and operate a Service that ensures effective community liaison including stakeholder consultation, educational, promotional and awareness activities, Service User feedback and appropriate measures for dealing with all communications.</p>

## WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE

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SWMP 4	<i>West Berkshire in conjunction with the Environment Agency, other local authorities and other parties will encourage the reduction and re-use of waste. This will form an objective of a promotional and awareness programme focused on waste.</i>	<p>Contract and Output Spec:: The Contractor will provide, manage and operate an Education Centre designed to serve as a local centre for resource education and the promotion of waste minimisation and as a centre for Recycling and Composting and reuse within West Berkshire.</p> <p>The Contractor will develop, implement and operate a Service that ensures effective community liaison including stakeholder consultation, educational, promotional and awareness activities, Service User feedback and appropriate measures for dealing with all communications.</p> <p>Procurement Process: N/A</p>
SWMP 5	<i>West Berkshire shall establish a leading example within our community by examining how it purchases, uses and manages materials in the course of its normal activities. The objective of this work will be to identify ways of reducing consumption and preventing waste production, using where practicable, environmentally superior materials and employing more sustainable practices.</i>	<p>Contract : N/A</p> <p>Output Spec: N/A</p> <p>Procurement: N/A</p>
SWMP 6	<i>West Berkshire will establish a programme of waste minimisation, re-use, recycling of waste materials in respect of its own functions and the services it provides.</i>	<p>Contract: Adhesion to SO5.</p> <p>Output Spec: SO5. The Contractor shall operate the Services in a manner which produces high quality products and encourages the development of local re-use and reprocessing businesses, having regard to sustainability, self sufficiency and the proximity principle.</p> <p>Procurement Process: within the Technical Requirement questions bidders were asked to provide information on 'measures to promote reuse and recycling. Bidders were asked to provide details on aspects that will encourage and promote reuse and recycling activities at each Facility, including specific staff and contract initiatives.</p>
SWMP 7	<i>West Berkshire will establish a challenging series of targets for minimising the municipal waste it collects from the community. The Council will seek to forge partnerships with parish councils and community groups with a view to establishing common aims and goals in this respect.</i>	<p>Contract: KPIs are to be agreed within 6 months of contract commencement.</p> <p>Output Spec: SO8. A service output dedicated to the provision, management and operation of an Education Centre designed to serve as a local centre for resource education, the promotion of waste minimisation and as a centre for recycling, composting and reuse within West Berkshire.</p> <p>Procurement Process: The procurement documentation included a waste growth profile which displays a reduction in waste generation. The provision of the new Contract is based upon this waste flow.</p>
SWMP 8	<i>West Berkshire believe the first and most meaningful target for waste minimisation in the short term, should be reducing waste growth in West Berkshire to the national average.</i>	<p>As SWMP 7</p>

## WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE

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	<p><i>Subsequent targets will be set following regular periodic review and should seek to achieve more significant reductions in waste generation.</i></p>	
SWMP9	<p><i>In consultation with the Environment Agency, nearby Local Authorities and other Agencies and having regard to material planning considerations, West Berkshire will promote the development of new and existing facilities for waste transfer, recycling and composting provided that:</i></p> <ul style="list-style-type: none"><li><i>• These facilities are developed as part of integrated network to deliver West Berkshires needs and contribute to Regional self sufficiency</i></li><li><i>• The facilities are consistent with the aims and objectives of the waste management strategy for West Berkshire</i></li><li><i>• There is demonstrable need for the facility.</i></li></ul>	<p>Contract: The Contract provides for the following new facilities: In-vessel composter, MRF, Transfer Station, Education Centre and anillary facilities. These facilities will be developed as part of an integrated network to enable maximised composting and recycling and diversion of BMW from landfill. These facilities are consistent with the selected Option 2 of the MWMS – Ecology Village with a centralised MRF.</p> <p>Output Spec: SO5. The Contractor shall finance, develop, construct, provide, operate and maintain a network of Facilities and Services for receiving, storing, transferring, processing, treating and disposing of all Contract Waste, products and residues.</p> <p>Procurement Process: N/A</p>
SWMP 10	<p><i>West Berkshire will develop practical initiatives to support waste segregation at source in the household and encourage similar initiatives in business premises.</i></p>	<p>Contract: The Contract provides for kerbside collection of recyclables from all households within the District. The materials to be collected are broader than currently collected as it includes card and plastic. The Contract also provides for green garden waste collection which will expend to green garden waste and kitchen collection once the IVC is operational</p> <p>Output Spec: SO2.</p> <p>Procurement Process. The importance of increased recycling and composting is at the core of the procurement process.</p>
SWMP 11	<p><i>West Berkshire in partnership with the Environment Agency, community groups and others encourage recycling and composting at home and in the workplace.</i></p>	<p>Contract: The Contractor will provide, manage and operate an Education Centre designed to serve as a local centre for resource education and the promotion of waste minimisation and as a centre for Recycling and Composting and reuse within West Berkshire.</p> <p>Output Spec: SO8. A service output dedicated to the provision, management and operation of an Education Centre designed to serve as a local centre for resource education, the promotion of waste minimisation and as a centre for recycling, composting and reuse within West Berkshire.</p> <p>The contractor shall develop, implement and operate a Service that ensures effective community liaison including stakeholder consultation, educational, promotional and awareness activities, Service User feedback and appropriate measures for dealing with all communications.</p>



## WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE

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		<p>Provide and promote suitable Receptacles for the specific use of home Composting, or equivalent, at a nominal charge. Provide on-going support for Service Users using these Receptacles</p>
SWMP 12	<p><i>West Berkshire is committed to movement towards more sustainable waste management practices. It will seek to influence such change wherever it can and particularly through the exercise of its statutory functions.</i></p>	<p>Procurement Process: N/A</p> <p>The Contractor will provide, manage and operate an Education Centre designed to serve as a local centre for resource education and the promotion of waste minimisation and as a centre for Recycling and Composting and reuse within West Berkshire.</p> <p>The Contractor will develop, implement and operate a Service that ensures effective community liaison including stakeholder consultation, educational, promotional and awareness activities, Service User feedback and appropriate measures for dealing with all communications.</p> <p>The Contractor will support these activities through a staff structure, which includes a Communications and Waste Minimisation Manager, a Recycling Promotions Officer and an Education Centre Assistant. These employees, in coordination with the Council staff will make links with schools and local community groups to encourage use of the centre.</p> <p>Output Spec: SO8. A service output dedicated to the provision, management and operation of an Education Centre designed to serve as a local centre for resource education, the promotion of waste minimisation and as a centre for recycling, composting and reuse within West Berkshire.</p> <p>The contractor shall develop, implement and operate a Service that ensures effective community liaison including stakeholder consultation, educational, promotional and awareness activities, Service User feedback and appropriate measures for dealing with all communications.</p>
SWMP 13	<p><i>In respect of current Government guidance on sustainable development and waste management, West Berkshire considers the progressive development of more sustainable waste management practices to be a legitimate strategic goal to be achieved over the short, medium and long term.</i></p>	<p>Procurement Process: N/A</p> <p>N/A</p>
SWMP 14	<p><i>Through the implementation of its waste management strategy and future contracts, West Berkshire will seek to progressively reduce the amount and proportion of West Berkshires municipal waste being disposed of to landfill. In so doing West Berkshire will seek to divert municipal waste towards more sustainable waste management practices which lie higher in the waste</i></p>	<p>Contract: See Contract Targets</p> <p>Output Spec: SO8. See targets</p> <p>Procurement Process: N/A</p>

## WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE

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SWMP 15	<p><i>management hierarchy.</i></p> <p><i>West Berkshire supports the proximity principle and the concept of regional self sufficiency in respect of waste management facilities. Wherever it is consistent with the best practicable environmental option available, West Berkshire will endeavour to ensure that the waste produced by our community is managed and dealt with within West Berkshire, or failing this the Region, wherever this is possible.</i></p>	<p>Contract: The Integrated Waste Management Facility will be located within West Berkshire at Padworth Sidings. After July 2009 residual waste will be disposed of to landfill at Springfield, Buckinghamshire. It is not known where the EFW facility will be located, however, the contractor is required to use all reasonable endeavours to ensure that the EFW is as close as reasonably possible to West Berkshire District.</p> <p>Output Specification: It is stated within Part One of the Specification that ' The majority of the Services are to be delivered within the district of West Berkshire Council'</p> <p>Procurement Process: Evaluation criteria were developed to positively score waste self sufficiency As SWMP 15</p>
SWMP 16	<p><i>West Berkshire will not normally support the export or import of waste from the Region for treatment or disposal unless circumstances demonstrably show that this is the best practicable environmental option.</i></p>	
SWMP 17	<p><i>In working towards more sustainable waste management West Berkshire will seek through the implementation of its strategy, to deliver statutory Government performance standards for waste management.</i></p>	<p>Contract: Targets have been set for BMW to Landfill of Contract Waste and Recycling and Composting. This assists in the delivery of statutory Government Performance Standards</p> <p>Output Specification: SO1: The Contractor shall provide sufficient and appropriate Facilities and a flexible and phased development of the Services to allow the Council to meet the following BMW landfill tonnage Diversion targets and Recycling and Composting Targets, as set out in Table 2</p> <p>Procurement Process: Bidder solutions were evaluated on their delivery of BMW diversion and composting and recycling achievement.</p>
SWMP 18	<p><i>West Berkshire will seek to deliver continuous and demonstrable improvement in the quality, sustainability and efficiency of the waste management services it delivers.</i></p>	<p>Contract: Adherence to the Service Specification. Best Value provisions within the Project Agreement</p> <p>Output Specification: SO1. The Contractor shall provide a holistic, flexible and continuously improving integrated Waste management and Cleansing Service with the principal aim of maximising Recycling and Composting and diverting Waste from landfill, and fulfilling the outputs and requirements set out within this Specification.</p> <p>Procurement Process: Bidder solutions were evaluated on the potential for continuous improvement of the Service As SWMP18</p>
SWMP 19	<p><i>Through the implementation future waste management contracts, West Berkshire will encourage its future contractors to be proactive and innovative in identifying areas for delivering service improvement and achieving its core policies and goals.</i></p>	
SWMP 20	<p><i>In line with Government targets for waste recovery, West Berkshire will</i></p>	<p>Contract: <b>[INFORMATION WITHHELD]</b>.</p> <p>Output Specification: The Contractor shall provide</p>

## WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE

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*look to recover more value from waste as part of its waste management strategy over the medium to long term. The Council will maintain a watching brief on the technologies available for this purpose and seek to engage in partnerships with others where this can deliver the best practicable environmental option in a way which is consistent with best value.*

sufficient and appropriate Facilities and a flexible and phased development of the Services to allow the Council to meet the following BMW landfill tonnage Diversion targets and Recycling and Composting Targets, as set out in Table 2  
Procurement: Bidder solutions were evaluated on their delivery of municipal waste diversion and composting and recycling achievement.

# WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE

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## APPENDIX 7 – FINANCIAL ANALYSIS OF MWMS SCENARIOS

[INFORMATION WITHHELD]

**WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE**

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**APPENDIX 8 – TECHNICAL ANALYSIS OF MWMS SCENARIOS**

**[INFORMATION WITHHELD]**

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**APPENDIX 9 – ISOP EVALUATION METHODOLOGY  
[INFORMATION WITHHELD].**

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## APPENDIX 10 – ISOP EVALUATION REPORT

[INFORMATION WITHHELD]

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APPENDIX 11 – ITN EVALUATION METHODOLOGY  
[INFORMATION WITHHELD].



**APPENDIX 12 – ITN EVALUATION RESULTS**

**[INFORMATION WITHHELD]**

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### APPENDIX 13 – PAYMENT MECHANISM

[INFORMATION WITHHELD]

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**APPENDIX 14 – RISK MATRIX  
[INFORMATION WITHHELD].**

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**APPENDIX 15 – PERFORMANCE MANAGEMENT FRAMEWORK  
[INFORMATION WITHHELD].**

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**APPENDIX 16 – ACCOUNTING TREATMENT  
[INFORMATION WITHHELD].**

# WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE

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## APPENDIX 17 – FINANCIAL MODEL – PART 1 AND 2

[INFORMATION WITHHELD]

## WEST BERKSHIRE COUNCIL – FINAL BUSINESS CASE

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**APPENDIX 18 – ACCOUNTING TREATMENT LETTER  
[INFORMATION WITHHELD].**





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APPENDIX 19 – AFFORDABILITY MODEL  
[INFORMATION WITHHELD].

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**APPENDIX 20 – BUDGET  
[INFORMATION WITHHELD].**

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### APPENDIX 21 – PROJECT AGREEMENT

[INFORMATION WITHHELD].

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**APPENDIX 22 – PROJECT AGREEMENT DEROGATIONS  
[INFORMATION WITHHELD].**