

1. Project Status against the FBC

1.1 Waste arising actual and forecast

Appendix A shows the actual waste arising and the waste projection model for the remaining term of the project. A revised landfill base case was agreed between the parties in January 2013 due to the reduction in actual landfill against the model.

The waste projection model in the FBC estimates waste growth at approximately 1.0% per year until 2017 where it is assumed 0% growth from then onwards. Overall the waste arising has been less than projected in the FBC. The growth for Years 2 to 5 has been on average 0%¹.

1.2 Recycling and diversion outcome (actual and expected/forecast going forward)

To date the Contract has achieved the guaranteed targets for recycling and diversion.

1.3 Collection and disposal arrangements

The Contract has provided the improved collection and infrastructure as described in the FBC.

1.4 Facility delivered and third party facility used

The Contract has provided the Integrated Waste Management Facility described in the FBC. The Facility at Padworth was delivered and commenced operations, as per the Project Plan, in November 2011.

Instead of Springfield landfill, Buckinghamshire described in the FBC our residual waste to landfill is disposed of at Veolia's Chatsworth Blue Haze site, Hampshire.

2 Contract performance

To date the Contract has performed very well. Satisfaction with Veolia and the quality of the front line services provided remains very good.

There have been minimal penalties issued under the Performance Management Framework. The table below shows the financial deductions made each year.

Year		Total deduction (£)	Total deduction (points)
1	2008/09	25,611.30	1286.7
2	2009/10	22.41	33.1
3	2010/11	1,992.91	39.8
4	2011/12	665.41	37.1
5	2012/13	25.63	182.5
Total		28,410.30	1598

3 Cost, Budgets and Finance - Addendum to Section 8 of the Final Business Case

Information withheld

4. Governance

4.1 Due diligence

The team of external advisors remain the same as the original FBC; Bevan Brittan LLP and Ernst & Young LLP.

The Council's Waste Steering Group remains the project board for matters relating to the Integrated Waste Management Contract.

4.2 Approval process/timetable

The transaction has been approved by the Council Executive with the final detail being agreed through delegated authority to the Waste Steering Group.

The timetable for approval was as follows:

Corporate Board - 10 Dec 2013

Management Board - 19 Dec 2013

Executive - 16 Jan 2014

WIDP Accounting Assessment for Budgetary and National Accounts

Information Requirements

Introduction

The following questionnaire details the information requirements for WIDP, to enable its assessment of the accounting treatment of the project for Budgetary and National Accounts purposes.

The following requirements supplement the information to be reviewed as part of the WIDP Commercial Team review and is not meant to be exhaustive. The questionnaire is the starting point for the WIDP assessment and WIDP reserve the right to request additional information as required.

Construction risk

1. Please provide details of all of the facilities to be provided under the PFI Contract?

No change from FBC

2. (a) Please provide details of any assets (excluding land) which are contributed to the PFI Contract
(b) Where assets are contributed to the PFI Contract if so which party bears the risk of latent defects?

No change from FBC

3. Please provide details of any penalties imposed on the contractor (i.e. liquidated damages), for late delivery of the facilities which form part of the PFI contract?

No change from FBC

4. Please confirm that the Authority will not be liable for any construction cost overruns (other than those caused by the Authority) on any of the facilities which form part of the PFI Contract?

No change from FBC

5. Please provide details of any exposure of the Authority to other construction risks such as covering environmental factors etc?

Availability risk

6. Please confirm that the contractor will take the risks (both pricing and volume) associated with the provision of lifecycle and maintenance of the facilities?

No change from FBC

7. Please provide details of all caps on deductions for non-availability and poor performance as proposed by the bidders?

No change from FBC

8. Where Caps on deductions have been proposed, please provide details of the significance of the maximum potential capped deduction (for each bidder) compared to the overall value of the contract?

No change from FBC

Demand risk

9. To identify whether there is a significant potential sharing of demand risk, please provide a summary analysis of the cash flows that are fully recovered by the PFI contractor at the Minimum Guaranteed Tonnage levels?

No change from FBC

Residual Value risk

10. Please provide details of the arrangements for the assets on expiry of the PFI Contract and specifically as to which party the asset will revert to?

No change from FBC-all assets revert to West Berkshire Council

11. If applicable please provide details of any options (on expiry) retained by the Authority, in relation to acquiring any of the assets provided under the PFI Contract?

No change from FBC

Funding

Information withheld