

Indicative Outline of the WIDP Variation Business Case Template

1. Executive Summary

- summary of the key points set out in detail within each main Section of the VBC

2. Background

- background since Financial Close
- key characteristics of WDA area and Authorities
- analysis of waste arisings
- details of current arrangements for collection and disposal
- performance of existing recycling and composting services
- residual waste treatment - recent performance trends

3. Strategic Waste Management Objectives

- reviews / amendments to Municipal Waste Management Strategy (MWMS) since Financial Close
- waste minimisation schemes – as originally assumed and newly devised
- recycling and composting performance figures – comparison with projections at financial close
- landfill objectives – landfill tonnages and projections for future years, including comparison with projections made at Financial Close
- appraisal of technology options for residual waste treatment
- assessment of environmental impact of the proposed solution

4. Variation Strategy and Value-for-Money Assessment

- exposure of cost base to competitive tendering / benchmarking
- overall strategy for executing the variation
- summary of proposed changes to output specification
- technical solution proposed by the Contractor, including description of key facilities
- working versions of the mass-flow model used to calculate the waste-flow inputs to the financial model together with the financial model
- changes to key annual waste-flow related performance measures contained within the Payment Mechanism
- intended process from VBC approval to execution of the Variation, including comments on issues that will remain outstanding post VBC approval

5. Risk Management, Risk Allocation and Contractual Structures

- Authority's overall approach to risk management and how it is proposed to change relative to the position at Financial Close. Also comment on management of new risks.
- Risk Allocation Matrix as at Financial Close – how does the position agreed with the Contractor in relation to the proposed Variation materially change it?
- Confirmation that WIDP has signed off the changed commercial aspects [***note: in most cases, the commercial review is carried out in parallel with VBC scrutiny***]
- Proposed changes to the PFI contract
- Markets for new process outputs (if relevant)
- Any change to the budgetary treatment of the Project for central government budgeting purposes?

6. Project Team and Governance

- changes to legal context since Financial Close e.g. legal duties of relevant bodies regarding waste treatment and management
- project governance arrangements for the Variation process, including the post-VBC approval period
- details of the project management team
- details of external advisers – have they changed since Financial Close?
- outline of partnership arrangements with other WDAs
- District Council involvement in their capacity as WCAs
- identification of appropriate budgets and resources

7. Sites, Planning and Design

- identification of site(s) for new facilities / activities
- any work required to securing the required legal title to the Sites
- any points arising under the Planning Health Framework
- design issues
- contribution to the Waste Framework Directive target to recover at least 70% of construction waste going to landfill by 2020
- realising environmental benefits deriving from the project

8. Cost, Budgets and Finance

- forecast costs of undertaking the Variation, excluding the impact on the unitary charge
- cost of the Contractor's solution: provide working version of the Contractor's Financial Model. What are the changes in estimated project cost between Financial Close and VBC submission?
- sources of funding if the Variation requires new finance to be raised by the Contractor
- affordability analysis
- projected Authority budgets, as approved by Members
- calculation of PFI credit payments – compliance with DEFRA guidance
- Authority assumptions etc relating to recycle income
- sinking fund interest
- Authority's assumptions around the development of landfill tax over the life of the project as per the original Contract and as per the Variation
- budget assumptions for contract monitoring costs
- sensitivity analyses performed on Affordability Model
- quantify and cost the carbon impact of the project
- Member approval of affordability
- key components of Members' Report

9. Stakeholder Communications

- any changes to the communications strategy since Financial Close
- arrangements in relation to any staff transfers required by the proposed Variation (TUPE etc)
- engagement with other relevant authorities (i.e. stakeholders in the project)
- engagement with local population since Financial Close, including plans for generating and maintaining broad consensus in favour of Variation
- engagement with any community groups or NGOs involved or interested in waste management in the area
- details of any public consultations conducted (including MWMS, where applicable)

10. Timetable

- timetable for the approval and implementation of the proposed Variation