

Appendix 7.3

Full written responses received from Waste Services/Waste Technology/Other Services Sector market testing exercise.

1. Response from Shanks

Interest in the Project

1. What factors are likely to influence your level of interest in this project?

Shanks Response:

Shanks has been involved in a number of similar projects and recognises that there is a fundamental requirement for experience and commitment from dedicated bid teams on both sides of the procurement process. A client with a well organised bid team, including experienced advisors is paramount to attracting as many bidders as possible.

All party support for the project is essential and is a key factor likely to influence our interest in this project. The time and effort required in procuring such a project is considerable for both the public and private sector. Therefore clear and transparent political support is needed to ensure that bidders have a high level of confidence that a contract procurement process, once commenced will progress to completion.

The length of the overall procurement programme is also key as any company bidding for long term waste contracts has finite resources and needs to make use of them in the most efficient and effective manner. Therefore any reduction in the procurement timescale would be attractive as this allows both the Council and bidders to achieve the main goal of delivering new waste management infrastructure and services in a timely way to meet the stringent targets set by the Council and Central Government.

2. In general terms, what other commitments or potential commitments does your company have in the waste treatment market which may compete for resources with the MWDA project?

Shanks Response:

Shanks views the provision of integrated waste management contracts as significant development market for the Company. It has taken the approach of creating a new subsidiary Shanks PFI Investments Limited to provide and manage its equity investment in such contracts.

In addition we have brought together a management team (13) to provide specialist management of these complex bids. This resource will flex in accordance with the opportunities to bid for suitable contracts over time.

Shanks has targeted the waste PFI/PPP market as one that it wishes to develop a significant market share. We are therefore currently very active in that marketplace and are involved in the following PFI/PPP procurements:

- Greater Manchester WDA (post ITN)
- Cambridgeshire CC (post ITN)
- Cumbria CC (BaFO)

- LB Southwark (ITN)

3. How would you expect to bid, either on your own or as a consortium?

Shanks Response:

This depends on what format the contract(s) are procured, particularly the size, complexity and capital requirements. For instance, the Greater Manchester PFI Contract is being bid by Shanks via a 50:50 JV with Babcock and Brown. This would be our preferred route for contracts of a similar size such as MWDA. We would normally bid for smaller value contracts (< £100m) on our own.

4. How can the contract be structured to gain market interest, maximise bidders and to create a level playing field for all bidders?

Shanks Response:

- A clear and proactive Authority strategy on site acquisition
- A clear, formal commitment from the WDA and the Districts to support the project, including evidence of all party support
- Evidence that the contract affordability issues have been adequately evaluated and are realistic for the range of services to be provided

Scale and Scope of the Project

5. What would be the preferred length of the contract?

Shanks Response:

For a waste management contract that requires significant investment in new infrastructure, we believe that a minimum contract term of 25 years is required in order to deliver affordable solutions for local authorities in the short term.

6. Do you have any preference over the project funding route, e.g. PFI, PPP, prudential borrowing, capital grants etc?

Shanks Response:

We are flexible in our approach to project funding. To date Shanks has exclusively utilised non-recourse project finance for its three existing PFI projects and has raised over £150m senior debt funding. In doing so it has placed itself at the forefront of this market. However, Shanks' approach to financing a project is dependent on the size and timing of the investment required and we would therefore look make use of the most efficient method of funding once the investment parameters were determined.

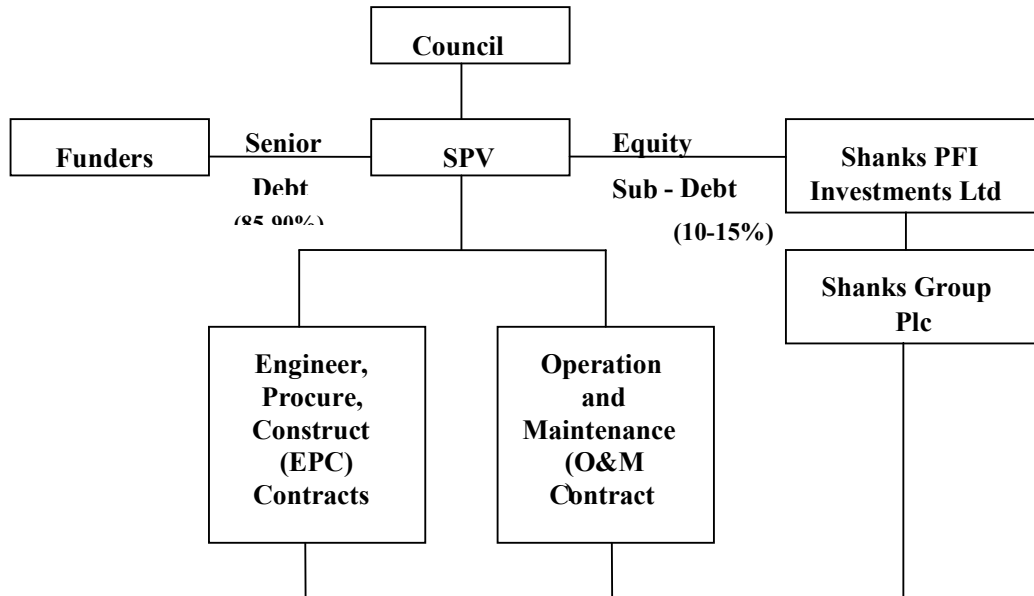
However, we believe that one of the advantages of a PFI funding structure is that it delivers discipline to the process for all parties and therefore restricts any moves towards short term expediency and delivers a much more viable project. Also, the use of bank debt to fund the project can be seen as positive as the banks interests are usually closely aligned to the Authority and this can protect the Authority's position.

We believe that PPP will inevitably be similar to PFI (but without the PFI grant) but we have yet to have direct experience of prudential borrowing or capital grants so cannot comment on them directly. For smaller scale projects < £15-20m it is likely that we would fund these via our balance sheet.

7. What are your initial thoughts on how your company would propose to meet the potential capital funding requirement for the project?

Shanks response:

Shanks is at the forefront of Project Financing major integrated waste management contracts with three PFI contracts successfully funded to date by this method. A simple project financing structure is illustrated below:



Shanks would set up a Special Purpose Vehicle (SPV) company, which would contract with the Council to provide the contract services and infrastructure. The SPV would be funded by Senior Debt from Banks (85-90%) with the balance being provided by Shanks PFI Investments Ltd (a subsidiary of Shanks Group Plc). The SPV would let two main contracts, one to construct facilities (EPC contract) and one to operate them and other services (O&M contract). A major construction company would be procured to carry out the EPC contract with the O&M service contract provided by Shanks Waste Management Ltd.

Mersey Waste Holdings Ltd.

8. How do you consider Mersey Waste Holdings Limited services could be included in the Contract?

Shanks Response:

The options seem to be either to offer the LAWDC to the successful PFI contractor, either at market value or a nominal sum (GMWDA have included similar options in their PFI procurement process) or to transfer the LAWDC assets and staff to the PFI contractor without the MWHL Company. This may be simpler way to deal with any residual liabilities that the LAWDC may have.

9. Would you be prepared to accept Mersey Waste Holdings Ltd as a nominated sub-contractor?

Shanks Response:

Subject to further detail and clarification Shanks would be willing to accept MWHL as a nominated sub-contractor for existing services such as landfill disposal, composting and HWRC operations. Once again this initial view would need to be subject to further clarification and due diligence.

Sites and planning

10. MWDA is seeking to identify potential sites for new facilities. What would be your minimum and your ideal requirements for the provision of sites?

Shanks Response:

As a minimum, sites proposed/delivered by the Authority should be well located and adequately sized for their intended use. As far as possible proposed sites should be in accordance with local and regional land use policies for the type of development proposed and this should be evidenced by the results of the sieve analysis used to identify potential development sites. If possible, and if time-scales permit, the ideal position would be for the Authority to secure a planning permission on the proposed site(s) prior to the waste management procurement process concluding.

11. What sites and facilities do you own or have control over in the area?

Shanks Response:

Shanks owns a transfer station at Canada Dock, Bankhall Lane, Liverpool

12. How do you consider planning application and permission risks are best mitigated?

Shanks Response:

See response to Q.10 above for our preferred route in mitigating planning risk. If this is not achievable then the Council should expect the successful bidder to initiate planning works at Preferred Bidder, but with the understanding that the Council will underwrite the costs if Financial Close is not achieved or is significantly delayed.

Technology Option

13. What would be your preferred technological solutions for managing residual waste in Merseyside?

Shanks Response:

Our preferred technology solution would be MBT as supplied by Ecodeco with who Shanks has the exclusive technology rights for the UK. The Ecodeco ITS system is well established in Italy with a total of 7 reference plants in operation for up to 8 years.

The Ecodeco ITS system has been successfully proposed and banked in the UK by Shanks on 2 PFI contracts for Dumfries & Galloway Council and the East London Waste Authority. These contracts require a total MBT capacity of 420ktpa to be

delivered on 3 sites and both projects are on budget to deliver and commission this infrastructure by mid 2006.

NB: We would welcome the opportunity to host a site visit to the ELWA site at Frog Island, Rainham. This 4 Ha site is currently being commissioned and comprises a 180ktpa Ecodeco MBT plant and a 100ktpa MRF, which we believe will be similar in scale to the infrastructure required for the Merseyside contract.

14. What is your approach to sourcing markets for recyclates and products from the treatment process?

Shanks Response:

Shanks is at the forefront of the development of markets for the products from MBT. Shanks is confident that there is a developing and significant market for the valorisation of SRF. This is a market supported by Government as a sustainable method of providing a higher degree of certainty in terms of energy security and supply. SRF markets are being finalised with several offtakers and we are confident that we can finalise contracts for all the material produced by the time that the MBT facilities are handed over later this year.

The markets for glass, aggregates, ferrous and non-ferrous are no more onerous from those materials recovered in Household Waste Recycling Centres (HWRCs). The further biological stabilisation of MBT fines means that these can be landfilled with minimal impact on the Council's LATS allowances.

Contractual

15. What is your view on the allocation of Landfill Tax and LATS risk within this project?

Shanks Response:

Both issues will have to be dealt with carefully once the scope of the contract, risk matrix and output specification is better understood. As a general position Shanks will look to mitigate Landfill Tax and LATS risk within the project to levels acceptable to the returns being generated. This approach may involve an agreed cap on liabilities.

16. MWDA has an active interest in waste minimisation. How would you advise waste minimisation is best handled in a contract to provide incentives to the public, the contractor and the Councils?

Shanks Response:

Historically, waste minimisation is one of the most difficult waste management concepts to implement and measure accurately, mainly due to the number of variants that affect waste growth at any one time.

For the public, the main incentives to participate in waste minimisation will be delivered by comprehensive education and awareness campaigns that will target changes in the public's behaviour (such as purchasing decisions).

For the contractor, we believe that incentives based on the impact of waste minimisation activities will be hard to evaluate. We would rather see an agreed output specification developed to deliver waste minimisation activities that can be measured, in terms of activity rather than impact that will allow the maximum effort to be placed in waste minimisation initiatives whilst recognising that the impact on waste growth is almost impossible to measure accurately.

For the Councils, we believe that a consistent message and leading by example are the main areas that can be addressed. The Councils could also consider more radical initiatives to encourage waste minimisation, such as moving towards a weight-based charging system for MSW.

17. MWDA have two existing in-vessel composting facilities. Should they continue to use these? Should they be included in the contract?

Shanks Response:

See our response to Q.18. If the existing IVC facilities work effectively and efficiently then there is no reason why they should not continue to be used. The potential for their inclusion in the contract will be subject to due diligence, commercial terms and contractual details (including interface issues) but should not be excluded out of hand.

18. MDWA can considering collecting green and kitchen waste? Would you advise them not to do this, and if so why?

Shanks Response:

We believe that the collection of green and kitchen waste (from suitable properties) should be included in any integrated waste management strategy and as such we would support its inclusion within this contract. Obviously the segregation and collection of these materials has to be matched with the availability of sufficient, suitable treatment facilities (IVC) to deal with the materials. We believe that the collection and treatment of organics is essential in order to meet the high levels of recycling/composting and BMW diversion necessary to meet statutory targets in a way that does not rely on one technique or process. Also, the successful segregation and composting of these materials leads to a high quality product which should be easier to place in end markets rather than the outputs from mixed waste residual systems.

19. How do you consider landfill disposal should be included in the contract? How do you consider it should be handled.

Shanks Response:

Landfill is probably best addressed as a separate contract procured directly by the Authority to ensure that companies without landfill in the area are not disadvantaged in delivering an integrated contract. The interface between the rest of the service and the landfill element will need to be addressed to ensure that inputs/outputs from the service elements are adequately co-ordinated.

2. Global Renewables

Interest in the Project

1. What factors are likely to influence your level of interest in this project?

The key factors that will influence the Global Renewables level of interest in the project

are:

- ~ A clear project scope
- ~ Robust waste characterisation and waste arising data
- ~ Local Authority taking the lead for site acquisition and planning
- ~ No fixed requirement for EfW
- ~ Landfilling contracted separately
- ~ Strong, empowered and resourced Client Project Team
- ~ Realistic timetable and adherence to timetable

2. In general terms, what other commitments or potential commitments does your company have in the waste treatment market which may compete for resources with the MWDA project given the programme discussed this morning?

Global Renewables has successfully designed and built the world's first UR-3R Process® facility in Eastern Creek, Australia which we also operate under a long-term PPP contract with the NSW Government. We are currently preferred bidder for a project in Melbourne, Australia as well as the preferred bidder for the Lancashire Waste PFI Project in the UK. Financial close for the Lancashire Project is scheduled for the third quarter of 2006, and the project then moves into the construction phase.

This track record indicates Global Renewables commitment to the provision of waste management services through PPP/PFI projects, highlighting our success to date and capability to provide solutions that meet the needs of Local Authorities.

In 2004 Global Renewables set up its UK headquarters in Manchester which houses a dedicated business development and technical team of 15, supporting UK projects. During 2006 Global Renewables anticipates bidding on a further 2 – 3 PPP/PFI Projects.

3. How would you expect to bid, either on your own or as a consortium, or as a subcontractor to a lead bidder (Civil/Plant or O&M)?

Were Global Renewables to bid for this project, it would be as the lead entity in a consortium. Our core, long-term, technology partners are ISKA (from Germany) and SCT (from Italy) and our construction partners on other projects have included GRD Minproc and Bovis Lend Lease. If required, other members of the consortium would likely be local waste management companies providing expertise and experience in areas such as transport, maintenance and operations. Decision making would be made through Global Renewables who would have full responsibility for negotiating with MWDA.

4. Based on the proposed procurement strategy presented earlier today do you consider this approach appropriate in terms of maximising market interest by create a level playing field for all bidders?

Global Renewables applauds the MWDA approach of letting contracts for recycling, treatment and disposal separately. The commercial capabilities for each of these functions are different, so separating the contracts in this way allows businesses to bid within their area of expertise. This facilitates the optimum technology solution, maximize diversion, and increases competition.

Scale and Scope of the Project

5. The proposed procurement strategy may utilise a combination of private and public sector finance, do you have any preference over the project funding route, e.g. PFI, PPP, prudential borrowing, capital grants etc, and what factors influence your preference? (size of investment, nature of facilities, risk transfer arrangements, speed of procurement, interface arrangements)

Global Renewables has developed projects within both PPP and PFI frameworks, and is comfortable with both of these funding routes. Equally, we are open to considering alternate approaches to funding.

6. What are your initial thoughts on how your company would propose to meet the potential capital funding requirement for the project?

Global Renewables would anticipate the capital funding requirements to be met through a combination of Project Finance, raised from our established banking consortium and Equity, provided by Global Renewables' parent company GRD.

Mersey Waste Holdings Ltd.

8. The Authority has not yet made any decision in respect of MWHL bidding for the recycling contract. However the Authority is aware of the need to ensure a 'level playing field' for bidders and the need to make their existing assets available to all bidders? Would their final decision influence your level of interest in this project? Should your company be successful in tendering for the recycling contract what is your organisations preferred approach for deploying the assets and resources of MWHL?

Mersey Waste Holdings has assets and resources available that could provide part or all of the recycling contract. Were Global Renewables to bid the recycling contract we would be happy to consider subcontracting Mersey Waste Holdings, subject to the due diligence process that would be carried out with any potential subcontractor. Part of the diligence process would be careful assessment of TUPE requirements, and pensions liabilities.

Sites and planning

9. MWDA is seeking to identify potential sites for new facilities. What would be your minimum and your ideal requirements for the provision of sites?

It is very important that sites for all facilities are provided. Global Renewables believe that Local Authorities, in general, are best placed to provide the most suitable sites for this type of project, thus we would expect that MWDA would want to take the lead on this activity. In addition, leaving site provision to individual Contractors is likely to lead to a sub-optimal solution for the Council as the most appropriate sites for the project may not be provided by the Contractor with the most appropriate solution for the Council. Global Renewables expect that the local authorities would want ownership of the sites back at the end of the contract for use in subsequent contracts.

10. Does your organisation hold any sites and/or facilities that can be used for the Merseyside project? If so, would you consider these Strategic Sites that could house facilities such as those outlined in the Authority's Reference Project?

Global Renewables do not own or have control over any sites in the Merseyside area. We are currently negotiating terms with White Moss Horticulture as a marketing partner for compost arising from the Lancashire Project. We have discussed the possibility of cooperating with White Moss to use part of their site at Kirby where GRL to bid this project.

11. Based on the presentation this morning regarding the Authority's approach to securing sites and facilitating the planning framework, is this considered satisfactory by your organisation to encourage your organisation to bid for this project? What improvements could be made, given the nature and timing of the DPD process, to manage this issue and ensure you bid for this project?

Global Renewables applauds the Authority's approach to securing sites and facilitating planning applications. The project would be further enhanced by the Authority taking responsibility for securing the necessary consents.

12. How do you consider planning application and permission risks are best mitigated?

Global Renewables understands how important planning is for this type of project and would like to stress the importance of technology selection in securing planning quickly and effectively. Global Renewables sees the key is to take a partnership approach to planning, with the planning applications being prepared and submitted in the period between preferred bidder and financial close. Additionally, a partnership approach with appropriate risk sharing can enable detailed design work to commence whilst planning approval is being secured, thus reducing the time from financial close to construction commencement.

Technology Option

13. What would be your preferred technological solutions for managing residual waste in Merseyside?

Global Renewables is strongly in favour of the use of Mechanical Biological Treatment in the processing of residual waste. As mentioned in the answer to question 2, our core technology, the UR-3R Process® is an MBT process designed to maximise the recovery of resources from the waste stream, thus helping Local Authorities meet their legislative targets (LATS, Diversion, etc) without the need for EfW or the production of RDF. Global Renewables has over 18 months of operating experience at the world's first UR-3R Facility in Eastern Creek, Sydney, Australia (175,000 t/a), which is currently running

successfully at above design throughput. In addition our core technology partners bring considerable operating experience, including:

ISKA® Percolation and Energy Recovery:

Buchen Demonstration Facility – Buchen, Germany 25,000 t/a

Buchen Upgrade – Buchen, Germany 160,000 t/a

Heilbronn Facility – Heilbronn, Germany 110,000 t/a

Karlemberg* Facility – Karlemberg, Germany 25,000 t/a

SCT Residual Waste Sorting and Composting:

SCT have designed and built over 40 Residual Waste sorting and composting facilities, five of their most recent facilities include:

Milan Facility, Italy 130,000 t/a

Albano Facility, Italy 182,000 t/a

Edmonton Facility, Canada 300,000 t/a

Maccarese Facility, Italy 30,000 t/a

Malagrotta Facility, Italy (Phase ase II under construction) 700,000 t/a

14 What is your approach to sourcing markets for recyclates and products from the treatment process?

The UR-3R Process® produces a range of different products. The end markets for many of the products (paper, card, metal, glass) are well defined and secure. Global Renewables has developed relationships with commercial partners for the offtake of all recyclate products produced by the Lancashire Waste PFI and Heads of Terms are currently being negotiated. The market for plastic is less mature and so to address this for the Lancashire PFI Project Global Renewables are proposing to develop washing and flaking facilities and we would anticipate a similar approach for future projects. Should we proceed with 'value adding' capability, there may be scope to aggregate the offtake of a number of projects as feedstock.

We work closely with Envirolink NW and the Clean Merseyside Centre, and look forward to continuing these relationships with the proposed North West Waste Centre of Excellence. The market for Organic Growth Media the compost produced by the UR-3R Process® is complex. Significant remediation and woodland opportunities exist in the North West and Global Renewables is already in a position to exploit these avenues. Agricultural outlets for Global Renewables' compost are technically feasible in terms of our compost quality as shown in Australia where our compost is being sold and applied to the land for a variety of purposes. However, at the time of writing UK legislation is a barrier to accessing these markets. This is an issue which Global Renewables is actively pursuing.

Contractual

15. What is your view on the allocation of Landfill Tax and LATS risk within this project, having regard to the multi-contract procurement approach proposed?

GRL has developed a mutually acceptable approach to sharing LATS risk with the Lancashire Waste Partnership for the Lancashire Waste PFI, based on the diversion of biodegradable waste from landfill. Our reference plant at Eastern Creek in Sydney achieves a mass diversion rate of over 70% and we are confident in the performance of the UR-3R Process® in delivering exceptional diversion outcomes. Should we bid this project, we welcome the opportunity to discuss the sharing of

LATS risk in detailed discussion with MWDA at the ITN stage. GRL conceptually supports the Landfill Tax. Future increases in tax will promote the development of improved technologies. Similar to the LATS approach in the Lancashire Waste PFI we have reached a mutually acceptable arrangement with the Lancashire Waste Partnership for BMW and mass diversion, and landfilling costs. We note that MWDA may have some LATS risk pending procurement / implementation timeframe, and that LATS may need to be purchased in the early years of the contract. Selecting a technology solution with minimal planning risk will mitigate part of this exposure.

16. MWDA has an active interest in waste minimisation, and this will form a key element of the new UK Waste Strategy and this procurement. How would you advise waste minimisation is best handled in a contract to provide incentives to the public, the contractor and the Councils?

As part of the Lancashire Waste PFI, Global Renewables is establishing a Waste Minimisation Trust in conjunction with the Lancashire Waste Partnership. The Trust is funded through the contract, and leveraging from existing programs by drawing on the experience of GRL, the county and district authority's and NGOs. We commend this approach to MWDA.

17. The MWDA has one in-vessel composting facility that will be operational in Bidston, Wirral and second facility at Gillmoss Liverpool that is due to commence construction in April 2006. What would be your organisations approach to deploying these assets?

Global Renewables is familiar with VCU technology and are currently considering a proposal from VCU to provide technology solution as part of the Lancashire Waste PFI. We are happy to consider the inclusion of existing infrastructure subject to normal due diligence.

18. The MDWA is considering collecting green and kitchen waste in accordance with the proposed JMWMS? What do you consider the advantages and disadvantages of this approach, including your organisational view of whether this approach should be maintained?

Global Renewables is happy to compost separately collected green and kitchen waste compost in an ABPR compliant process parallel to the UR-3R. We have potential marketing partners for this material. The District Councils of Merseyside could potentially specify this product in their procurements, facilitating closed loop outcome

19. At this stage landfill is to be procured separately and operated independently of the Recycling and Residual Waste Treatment contracts? What do you consider the advantages and disadvantages of this approach, including your organisational view of whether this approach should be maintained?

Global Renewables believe best value is achieved by tendering landfill separately from collection and treatment. Separating out treatment from landfill also provides for a more competitive tendering process by attracting more processing companies, ultimately resulting in a better technology outcome for the Local Authority. In addition, separating collection, treatment and disposal provides the Local Authority with greater flexibility than a single integrated or semi-integrated contract. This flexibility comes from the ability to adapt collection methods and residual disposal options (compost, RDF or landfill) as the need arises.

Questions and Issues - Waste Services/Waste Technology Provider/Other Providers Market Testing Day

Interest in the Project

8. What factors are likely to influence your level of interest in this project?
9. In general terms, what other commitments or potential commitments does your company have in the waste treatment market which may compete for resources with the MWDA project given the programme discussed this morning?
10. How would you expect to bid for this project, either on your own or as a consortium or as a subcontractor to a lead bidder (Civil/Plant or O&M)?
11. Based on the proposed procurement strategy presented earlier today do you consider this approach appropriate in terms of maximising market interest by creating a level playing field for all bidders?

Scale and Scope of the Project

12. The proposed procurement strategy may utilise a combination of private and public sector finance, do you have any preference over the project funding route, e.g. PFI, PPP, prudential borrowing, capital grants etc and if so on what factors influence your preference? (Size of Investment, Nature of facilities, Risk Transfer Arrangements, Speed of Procurement, Interface arrangements?)
13. What are your initial thoughts on how your company would propose to meet the potential capital funding requirement for the project/s?

Mersey Waste Holdings Ltd.

8. The Authority has not yet made any decision in respect of MWHL bidding for the Recycling contract. However the Authority is aware of the need to ensure a 'level playing field' for bidders and the need to make their existing assets available to all bidders?

Would their final decision influence your level of interest in this project?

Should your company be successful in tendering for the recycling contract what is your organisation's preferred approach for deploying the assets and resources of MWHL?

Sites and planning

- 9 MWDA is seeking to identify potential sites for new facilities. What would be your minimum and your ideal size requirements for the provision of sites?
10. Does your organisation hold any sites and/or facilities that can be used for the Merseyside project? if so, would you consider these Strategic Sites that could house facilities such as those outlined in the Authority's Reference Project ?
- 11 Based on the presentation this morning regarding the Authority's strategic approach to securing sites and facilitating the planning framework, is this considered satisfactory by your organisation to encourage your organisation to bid for this project? What improvements could be made, given the nature and timing of the DPD process, to manage this issue and ensure you bid for this project?
20. How do you consider planning application and permission risks are best mitigated?

Technology Option

21. What would be your preferred technological solutions for managing residual waste, in particular for Merseyside?

22. What is your approach to sourcing markets for recyclates and products from the treatment process?

Contractual

23. What is your view on the allocation of Landfill Tax and LATS risk within this project, having regard to the multi –contract procurement approach proposed?
24. The MWDA has an active interest in waste minimisation and this will form a key element of the new UK Waste Strategy and this procurement. How would you advise waste minimisation is best handled in a contract to provide incentives to the public, the contractor and the Councils?
25. The MWDA has one in-vessel composting facilities that will be operational in April 2006 at Bidston, Wirral and a second facility at Gillmoss, Liverpool that is due to commence construction in April 2006. What would be your organisations approach to deploying these assets?
26. The MDWA is considering collecting green and kitchen waste in accordance with the agreed JMWMS? What do you consider to be the advantages and disadvantages of this approach, including your organisation view on whether this approach should be maintained?
27. At this stage landfill is to be procured separately and operated independently of the Recycling and Residual Waste Treatment contracts? What do you consider to be the advantages and disadvantages of this approach, including your organisation view on whether this approach should be maintained?