

DEFRA

Department for
**Environment,
Food & Rural Affairs**

**£140 MILLION WASTE MINIMISATION
AND RECYCLING FUND IN ENGLAND.
REVISED GUIDELINES FOR APPLICANTS**

August 2002

£140 million Waste Minimisation and Recycling Fund

Application Guidance for Local Authorities outside of London

Introduction

An announcement was made on 25th June 2002 of the results of the first round projects that were successful in gaining funding from the Waste Minimisation and Recycling Fund (see website for further details). Applications for funding for projects in 2003/04 are now invited for submission by 30th September 2002.

A large number of applications were received for the first round of funding and it is anticipated that the numbers for the second round will be greater. Many of the first round bids included a number of documents, so processing each application took quite some time. This led to delays in decision-making and notification. In order for DEFRA and the Expert Panel to deal with the new applications as quickly as possible we have made some changes to the guidance.

The following sections contain key information that you should take into account when putting together an application for funding.

Section 1: General Information on the Fund

Section 2: Guidance on the Categories

Section 3: Guidance on Executive Summary

Section 4: Specific Guidance on Applying

Section 5: Contact Details

Section 1: General Information on the Fund

For 2003/04 a total of £76.3 million will be available for projects. All local authorities with waste management responsibilities can submit up to two applications for funding for two different projects (including partnership bids). In applying local authorities must take into account all sections of this guidance document. Funds will be allocated on a single year basis with no commitment for continued central government funding in 2004/05.

Please note that no weighting is being applied to first round applicants, either successful or not in assessing the second round applications. Successful local authorities from the first round, seeking continuing funding for successful first round bids, must accept that there is no guarantee that funding will be allocated.

The ceiling limit for applications is £3.5 million for all categories. To ensure the fund is getting value for money all applications in excess of £1 million will be subject to additional scrutiny.

Match funding from local authorities is not required. However, funding for successful projects is intended to be in addition to any other expenditure of authorities on waste management and recycling. The fund is designed to help increase the recycling infrastructure and not to subsidise contractors costs in achieving their contractual obligations.

Local authorities will need to take into account any potential income generated, as a result of the project, in calculating the revenue required from the Fund. Further information can be found in Section 3 of this document.

The deadline for receiving applications will be 30th September 2002. In order to cope with the anticipated number of applications, and to reduce delays in processing the information, we would appreciate submissions as early as possible.

Following receipt of all applications these will then be evaluated by the expert panel, comprising waste industry experts, community recycling experts and DEFRA representatives, and recommendations for funding will be made to Ministers.

Ministers will take final decisions on which projects will be funded and how much will be paid. It is anticipated that decision letters for funding for 2003/04 will be sent out by early December 2002.

The amount of grant payable to an authority for a project approved for funding will be calculated as the lower of:

- (a) 100% of the authority's actual expenditure incurred on the project in the year for which the project is approved; and
- (b) 100% of the approved project costs notified to the authority for the year for which the project is approved.

Authorities should note that Ministers might not approve funding for the whole of the estimated cost of the project set out in an authority's application, if they consider that funding 100% of the authority's estimated costs would not represent good value for money. In those cases, authorities will be informed of the basis of approval.

Successful authorities will be required to sign a terms and conditions agreement that sets out the rules concerning expenditure claims, progress reports etc.

Section 2: Guidance on the Categories

The priorities for the Fund are listed in the table below along with the indicative amounts available.

Project Category	For 2003-2004
Partnership working	£21m
Turning around low performance	£17m
High performance innovation and best practice	£11m
Developing community initiatives	£1.8m
General projects	£25.5m

Partnership working

Applications for partnership working between waste collection, unitary and disposal authorities, within the same waste disposal administrative boundary or across administrative boundaries will be supported by the fund. We are keen for partnership projects that cover both low and high performers to be submitted.

Applications must include a list of all the parties involved, and state the current recycling performance of each. Applications must include documented evidence that confirms the agreement of all members to the partnership.

Partnerships must designate a single local authority to act as the banker for the partnership, who must submit the application. This authority will be accountable to DEFRA for the use of the grant paid for the partnership project.

The criteria that we will apply to selecting projects under this heading will be primarily concerned with the weight of material or of a particular type of material that would be recycled through the project and the efficiency with which this might be done. The increase in the recycling rate and the cost effectiveness of achieving this will also be an important factor in assessing the application.

We will also take into account projects that tackle the current absence of facilities in an area for general recycling or for particular materials.

Local authorities applying through the partnership category should be aware that this will count as one of their two allowed bids.

Innovation and helping achieve high performance

For the purposes of this exercise we will define high performers as local authorities with recycling rates over 22% in 1999 – 2000.

We are particularly keen to support projects that:

- Will result in a total recycling performance in excess of 30%,
- Tackle difficult waste streams and difficult housing types,

- Seek to improve the cost effectiveness of recycling where this is necessary to ensure sustainability of approach.

In selecting projects under this heading we will be primarily concerned with the stretch between the current performance and the performance that would be achieved by the project and the cost effectiveness of achieving the stretch.

Authorities applying for grant for projects falling under this heading must include in their application, details of:

- (a) the high performance rate that will be achieved;
- (b) how this performance will be achieved;
- (c) details of any innovative element in the project;
- (d) details of any new waste stream to be tackled;
- (e) details of any difficult waste stream to be tackled;
- (f) the contribution the project will make to the cost effectiveness of recycling;
- (g) how the knowledge and experience delivered from the project will be disseminated for the benefit of other local authorities.

Helping turn around low performance

For the purposes of this exercise, we will define low performers as local authorities with a recycling rate of 10% or less in 1999 – 2000.

Local authorities that fall into this category will need to include in their application:

- (a) the reasons for their low recycling performance;
- (b) the systems in place to ensure that the money from this Fund will be used in an efficient and accountable manner;
- (c) agreed project milestones for the period of funding;
- (d) a plan addressing the infrastructure to be developed, and operational and training issues that must be addressed to deliver improvements in recycling performance;
- (e) plans to increase public involvement.

Applications should be supported by evidence that the authority at senior officer or Member level:

- (a) recognise that there is little prospect of meeting standards under current plans;
- (b) is willing to make special efforts to meet standards under current plans, including a willingness to explore contributions that the community sector and/or private sector might provide;
- (c) agree to a project board being established to monitor progress against milestones should DEFRA think it necessary.

The key criteria that we will use in determining project approval under this heading are:

- Current performance;
- Progress (or otherwise) towards meeting statutory targets;
- The amount of waste in the authority's area;

- The estimated cost of improving performance in line with statutory targets;
- Clear evidence that the authority at senior levels recognise there is little prospect of meeting standards and a willingness to make special efforts to do so;
- Evidence of intent to fully explore contributions that the community sector and the private sector might provide.

Developing community initiatives

The potential contribution that community initiatives can bring to a local authority's performance standard is acknowledged. We would like to receive applications for funding that focus on building greater local community sector involvement. This is both as a means for improving recycling and of complementing other local initiatives to tackle neighbourhood renewal.

Projects might for example include; helping build community sector capacity at a local level, undertaking or funding consultancy work to develop business plans for community sector groups, and promotion & publicity initiatives aimed at increasing the participation of local people in existing recycling systems.

Authorities applying for funding in this category should include in their application details of:

- (a) the extent of existing community sector activity on environmental matters in the authority's area;
- (b) the prospects for future development of this capacity;
- (c) the authority's intended approach to working with the community sector;
- (d) the contribution to recycling that the community sector is expected to make;
- (e) other plans that the local authority has to boost recycling;
- (f) any link with Local Strategic Partnership work;
- (g) how this funding would link with other neighbourhood renewal funding.

General Projects

Many local authorities are neither 'high' nor 'low' performing authorities in recycling terms. Such authorities can apply for funding through this category and/or the partnership category.

We will be looking to fund projects in different parts of the country, in both rural and urban areas. In line with projects that seek to achieve high performance we would be pleased to see projects that tackle recycling among more difficult waste streams and in areas/ types of housing that are traditionally difficult to target in recycling schemes. Proposals that seek to improve the cost effectiveness of recycling where this is necessary to ensure sustainability of approach would be especially welcome.

Proposals must be consistent with the statutory performance standards. The key criteria for choosing between projects in this category will be the increase in the quantity of recycle, the increase in the recycling rate and the cost effectiveness. The nature of the waste streams and the types of housing that will be tackled will also be taken into consideration.

Project Board

Depending on the size of the grant requested and the nature of the project, a project board may be required. This is applicable to all categories. A project board will comprise a representative from the authority and DEFRA. The arrangements for, and composition of, a project board will be subject to the approval of DEFRA.

The project board would subsequently monitor progress against identified milestones and recommend to the Department when funds should be released to the authority.

If DEFRA decide that a particular application will only be accepted on condition that a project board is formed, a written explanation will be given following consultation with the Expert Panel.

Section 3: Guidance on Executive Summary

The executive summary is a means of bringing together the key information for the bid that DEFRA and the Expert Panel use in evaluating the bids. Executive summaries from first round bids varied considerably in terms of length and content. To avoid this problem and to ensure that local authorities are including the correct information we have produced a suggested template for the executive summary, along with a worked example (See Appendix A)

<p>Name of Local Authority (<i>If Partnership bid please list all authorities</i>)</p> <p>Bid number (<i>Bid 1 or Bid 2</i>)</p> <p>Type of authority (<i>WDA, WCA, Unitary</i>)</p>	
<p>Number of authority (DEFRA use only)</p>	
<p>Contact details (<i>if partnership only lead authority details required</i>)</p>	<p>Name and Position: Address:</p> <p>e-mail Address Tel No: Fax No:</p>
<p>Region (<i>EE, EM, NE, NW etc</i>)</p>	
<p>Category of bid:</p> <ul style="list-style-type: none"> • <i>Partnership working between authorities,</i> • <i>High performance, innovation & best practice</i> • <i>Helping turn around low performance,</i> • <i>Developing community initiatives,</i> • <i>General projects</i> 	
<p>Description of project (<i>one sentence</i>)</p> <p>Brief details of project</p> <p>How will the project be funded once the grant expires?</p>	
<p>Finance:</p> <p>Name of banking authority</p> <p>Amount Requested: Capital Revenue Income (<i>see 1</i>)</p>	

TOTAL	
<p>Overall expected results of the bid (<i>see 2</i>)</p> <ul style="list-style-type: none"> • Number of households to be included in the project, • Tonnage's to be recycled, including tonnage's that might displace recyclate from existing facilities, e.g. C.A sites, • Net % increase in recycling as a result of the project, • Cost per capita covered by the project (this should include capital and revenue costs), • Cost per tonne of recyclate as a result of the project (this should include capital and revenue costs), • Any other key indicators 	
<p>Did you put in a bid for round 1 (<i>yes/no</i>) Was this successful (<i>yes/no</i>)</p>	

(1) Income generated through the scheme (e.g. sale of material, recycling credits etc) should be discounted against the revenue bid.

(2) In order to assess the expected results of the project a number of key indicators will be required. These indicators will allow a quick comparison of bids received. If a local authority has any other additional information that is key to their bid and can be included as a key indicator, these would be welcomed.

It is acknowledged that the key indicators do not cover education or promotions very well. Projects of this type will not be penalised because of this. DEFRA would welcome examples of educational indicators in support of any such project.

Section 4: Specific Guidance on Applying

Introduction

A large number of bids were received for the first round of funding and it is anticipated that the numbers for the second round will be greater. The quality and detail of the first round applications varied greatly. This section outlines specific guidance on applying, and outlines where more attention/specific information is required.

Number of Bids:

A local authority may submit two applications for funding for two different projects. However, applications must be sent separately. This will help in the evaluation and tracking process of the project. If a local authority is submitting two bids they must be clearly marked bid 1 and bid 2.

Layout of Bids:

Please keep to a maximum length of 15 sides, size 12 font with minimum formatting (i.e. bold, underline), simple tables etc, in Microsoft **Word/Excel only**. Please allow suitable spacing, approximately three centimetres, in the left-hand margin.

Once your application is complete please e-mail it to 140M.Applications@defra.gsi.gov.uk In the subject line, of the e-mail, please put the name of local authority, a two-word description of the project and the bid number (1 or 2) only. A single hard copy of the application, along with supporting documents (see section below), will be required. This can be posted to:

**Waste Minimisation and Recycling Fund Applications,
Department for Environment, Food and Rural Affairs,
Waste Strategy Division,
Ashdown House,
Zone 7D/13,
123 Victoria Street,
London,
SW1E 6DE.**

Suggested Approach

To ensure that a consistent approach is taken across all applications a suggested list of topic headings is given below.

Overview of Waste Management

A short overview of waste management practices is required. The overview should cover the following points:

- Statistics on the size and nature of the local authority,

- Current recycling infrastructure, including full details of the latest BVPI's that relate to waste and the figures used in their calculation,
- Any other information that the local authority feels is relevant in 'setting the scene'.

Other information to be included in this section:

- The authority's current resource and capital expenditure for 2002/03 for waste management. It is acknowledged that a local authority may not be in a position to provide this information for 2003/04 due to the budgeting process. In this case the planned capital expenditure, on waste management for 2003/04 will be required,
- Additional sources of funding, such as the landfill tax credit scheme, and the projects that they are supporting,
- Details of the local authority's waste LPSA, if applicable. The details will need to include the LPSAs targets, the level of pump priming/UCAs received and brief overview of the project. This is required to ensure that the Fund does not duplicate the LPSA grant.

Project Detail:

These should cover the who, what, when, where and how of the project. Additional information that is required depending on the category of the project, as set out in section 2 of this document, should be included in this section.

Finance

The fund is designed to help increase the recycling infrastructure and not to subsidise contractors costs in achieving their contractual obligations.

In the first round bids there was limited evidence of local authorities, seeking joint procurement, of goods, such as wheeled bins, in order to achieve economies of scale. DEFRA would still encourage this approach and would welcome details in the forthcoming bids.

The ceiling limit for applications is £3.5 million for all categories. To ensure the fund is getting value for money bids in excess of £1 million will be subject to additional scrutiny.

Financial details received with the first round bids varied considerably. To ensure consistency for the second round of bids the following financial detail will be required:

Capital: A complete breakdown of what the money will be spent on is required, e.g. loading shovel, vehicle, wheelie bins etc. This detail should correlate to the project timetable where possible.

Please note that capital assets purchased, such as vehicles, will remain the property of the local authority, as opposed to any contractor. This will enable the local authority to utilise the capital goods irrespective of contractor changes.

Revenue: A detailed breakdown of what the money will be spent on is required, e.g. running cost of additional crews, officers, promotional material etc. This detail should correlate to the project timetable where possible.

Income: Successful projects are likely to benefit from an increase in income from recycling credits and sale of additional recyclate. A detail of potential income is required in bids and will be discounted against the revenue required.

This detailed financial information will allow the Expert Panel to make more reasoned value for money judgements and ensure competitive pricing. **Single figures for capital and revenue will not be accepted.**

It is important to remember when drawing up an application that it will only be financed over the course of 2003/2004 financial year (1st April 2003 to 31st March 2004). Applications that run past the 31st March 2004 will not be considered.

Project Timetable:

A detailed project timetable will be required, cross-referenced with the financial information.

Project Outcomes:

DEFRA and the Expert Panel are aware of the environmental and social benefits of waste minimisation and recycling. Detailed information regarding these is not required. However, if there is any specific information that the local authority wish to submit this should be included as briefly as possible.

It is suggested that outcomes are measured by:

- Number of households to be included in the project,
- Tonnes to be recycled, including tonnages that might displace recyclate from existing facilities, e.g. C.A sites,
- Net % increase in recycling as a result of the project,
- Cost per participating head of the project (this should include capital and revenue bids),
- Cost per tonne of recyclate as a result of the project (this should include capital and revenue bids),

It is acknowledged that the key indicators do not cover education or promotions very well. Projects of this type will not be penalised because of this. DEFRA would welcome examples of educational indicators in support of any such project.

Sustaining the Project:

All projects must demonstrate the authority's commitment to sustaining the project and clearly state where funding is going to come from in subsequent years. This information is essential in assessing the long-term sustainability of the projects and will be an important factor in the decision making process.

A Strategic Approach

Under the approach set out in *Waste Strategy 2000* and the subsequent guidance issued by Government in March 2001, all local authorities have been encouraged to create Municipal Waste Management Strategies. In addition, many local authorities will have undertaken Best Value reviews of waste management services prior to, or in conjunction with, drafting their Waste Management Strategy.

All applications should be supported by a strategic view of how waste management services should be delivered. The section should cover how the project links in with the Municipal Waste Management Strategy, and any other strategic documents or plans e.g. Waste Local Plan, Recycling Plan or Best Value Performance Plan.

Copies of these documents are not required. Instead if the document is available on line please include the address or fax the relevant sections.

Supporting information/Appendices

We were grateful for all the supporting information received with the bids for 2002/03. However, due to the anticipated increase in the number of applications for 2003/04 we would request that:

- If a document is available on-line that the address is included rather than sending the documents
- Or that only the relevant text or parts of the document are sent in or faxed.

Section 5 Contact Details

If you require further advice call Simon Mander on 0207 944 6436 or Karl Nsiah on 0207 944 6408

Appendix A

An example of an executive summary is attached for your convenience.

Name of Local Authority	Estuary Borough Council
Bid Number	1
Type of Authority	WCA
Number of Authority (DEFRA only)	
Contact Details (if partnership, only lead LA details required)	Name and Position: Mr J Quigley Address: Council Offices, 1 The Dunes, Estuary, E12 1RW e-mail Address: john.quigley@estuary.gov.uk Tel No: 0140 0241204 Fax No: 0140 0241203
Region	SE
Category of Bid	General Projects
Description of Project	Kerbside recycling collection
Details of Project	To extend the existing kerbside paper collection to 15,000 properties. Use local community groups to promote the scheme to all householders
How will the project be funded once the grant expires?	Future funding will be covered by income received from the project and the Council will provide the shortfall in revenue.
Finance: Name of banking authority	Estuary Borough Council
Amount Requested:	
Capital	£107,500
Revenue	£70,615
Income	£26,325
TOTAL	£151,790
Overall Expected Results of the Bid	

Number of households to be included in the project,	15,000 households
Tonnage's to be recycled, including tonnage's that might displace recycle from existing facilities, e.g. C.A sites,	An additional 975 tonnes of paper will be collected through the scheme
Net % increase in recycling as a result of the project,	Net increase in the recycling rate of 2%
Cost per capita covered by the project (this should include capital and revenue bids),	£10.13 per capita
Cost per tonne of recycle as a result of the project (this should include capital and revenue bids),	£168.66 per tonne
Bid for round 1 (yes/no)	Yes
Was this successful (yes/no)	No