



Department for
Communities and
Local Government

Recycling Reward Scheme 2015-16

Prospectus

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Foreword

In its review of waste policy published in June 2011, the Government stated that it wanted to work with local authorities to 'increase the frequency and quality of rubbish collections and make it easier to recycle'. It stated that it would 'support initiatives which reward and recognise people who do the right thing to reduce, reuse and recycle their waste'.

Thanks to the provisions in the Localism Act, the Government has removed the powers that local authorities had to charge householders based on the amount of waste they produced. This has freed up councils to run schemes which reward householders for producing less waste. Incentives for recycling such as discounts from local retailers or donations to local charity projects can be a significant factor in increasing recycling performance.

This is why the Government is introducing the £5 million Recycling Reward Scheme. It is intended to help local authorities that provide weekly residual waste and/or free weekly organic/food waste collections to incentivise households to increase recycling rates. It is hoped that local authorities will submit plans that are innovative and creative and engage their local communities with the common aim to contribute to the environmental benefits being sought whilst rewarding them for doing the right thing.

Secretary of State, Rt Hon Eric Pickles MP

Introduction

The Coalition Government recognises that we need to send less waste to landfill. Sending recyclable material to landfill is expensive and damaging to the environment. Reducing waste collection costs and increasing recycle quality and sales means more money for local authorities to divert to front line services.

Local authorities have already achieved a recycling rate of 44 per cent across the country but there is a need to do more.

In its Review of Waste Policy in England 2011¹, the Coalition Government made a commitment to support initiatives which reward and recognise people who do the right thing to reduce, reuse and recycle their waste.

Recycling reward schemes aim to change households' behaviour towards increased recycling. Without intervention, local authorities may find it difficult to incentivise households to recycle and increase recycling rates.

Some councils and businesses have already introduced schemes which reward positive behaviour. For example the £250 million Weekly Collection Support Scheme funded around 40 local authorities to introduce some form of recycling reward scheme. These 40 schemes are, again in line with the government's Waste Review, examples of government working with councils to increase the frequency and quality of rubbish collections and make it easier to recycle.

The Department for the Environment, Food and Rural Affairs has also been operating a Reward and Recognition Scheme (£2 million available over 2011/12 to 2012/13) that has funded a number of projects run by local authorities, community groups and civil society organisations. On-going evaluation of this is identifying successful practice that local authorities can learn from.

This new scheme will support authorities which currently operate weekly residual waste and/or free weekly organic/food waste collections to drive behavioural change within their communities resulting in increased recycling rates and less waste going to landfill. The scheme will not support authorities that propose a reduction in or cut to services or wish to impose taxes or fines on residents.

The total scheme is worth up to £5 million over the financial year 2015/16 and will start paying money to authorities in April 2015. While an authority can submit more than one bid, we anticipate that most authorities will want to concentrate on developing a single, high quality bid.

Bids will be evaluated on the basis of the extent to which they meet the criteria set out in this prospectus. A Project Board and assessment team will consider the merits of each and recommend a suite of bids to the Secretary of State for Communities and Local

¹ See: <https://www.gov.uk/government/publications/government-review-of-waste-policy-in-england-2011>

Government (with whom final decisions regarding funding and any related conditions ultimately lie).

The prospectus contains the information that prospective bidders will need to complete their bids. It is broken down into the following sections:

- Section One: General Information about the Scheme;
- Section Two: Bidding Information for the Recycling Reward Scheme;
- Section Three: Process and timetable for assessing bids;
- Section Four: Advice on How Bids will be assessed.

In addition bidders should refer to the following annexs:

- Annex A: Supplied as a separate attachment:
2015-16 Recycling Reward Scheme bid application form.
- Annex B: Supplied as a separate attachment:
2015-16 Recycling Reward Scheme frequently asked questions.

All bids must be submitted by **5pm on 7 November 2014**. It is our intention to announce final decisions about which bids receive funding by January 2015.

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Section One: General Information on the Recycling Reward Scheme

The purpose of the scheme is to ensure that local authorities have the ability to drive behavioural change within their communities, rewarding residents for doing the right thing and reducing and recycling their waste.

Recycling reward schemes can take the form of a number of interventions, encouraging residents to recycle more through offering: vouchers; charity donations; cash; discounts at local shops; community rewards; and prize draws.

They can be focused on particular communities, schools, households in certain collection rounds or individuals. They may aim to achieve waste reduction or increases in recycling of particular materials such as plastics or food waste. Ultimately, however, they are all expected to result in:

- increased recycling rates;
- higher quality recycling and reduced contamination;
- waste minimisation and less waste going to landfill; and
- residents feeling more 'engaged' with recycling, particularly where the reward scheme is community-focussed.

We have seen some dramatic improvements where recycling reward schemes have been implemented. As an example, the Royal Borough of Windsor and Maidenhead has seen recycling improvements year on year – from 34 per cent in 2009/10 to 48 per cent in 2012/13, in large part due to its borough-wide recycling rewards programme. However, we are also aware that some recycling rewards schemes have not led to significant change. The £5m fund is a challenge fund with set criteria to ensure that bids are well thought through.

Funding

The Department for Communities and Local Government is making available up to a total of £5 million to English local authorities over one year: 2015/16. Local authorities which currently operate weekly residual waste and/or free weekly organic/food waste collections that successfully bid for funding will be offered a Section 31 grant payment that they can use for either revenue or capital expenditure.

As long as it is under £5 million, there is no threshold or cap on the amount of funding an authority can bid for. Local authorities may bid for up to 100 per cent of costs or an element of the funding required to kick start a project. However, the fund is finite, so there will be limited scope to consider many large scale bids (e.g. £1 million plus). While we will not rule in or rule out a bid based on the amount requested we will, through the assessment process, consider whether a bid is cost-effective based on a combination of economic and environmental factors.

Where shopping vouchers are offered as a reward, DCLG is keen to encourage reward schemes which support local shops.

Where a bid is for funding that will be used to procure goods such as wheeled bins and/or private sector services then the bid will need to describe the procurement activity and how it will be undertaken. Bids that seek to join up procurement processes across different local authorities will be viewed positively under the cost effectiveness criterion.

Eligibility

Any local authority in England which currently operates weekly residual waste and/or free weekly organic/food waste collections can lead a bid. Each bid can be for funding for an individual local authority, a group of authorities that operate weekly collections as defined above or a consortium that includes businesses/third parties. However, each bid must have a lead bidding authority and this must, for grant allocation purposes, be an English local authority. Bidders should note that a grant can only be paid for expenditure incurred, or to be incurred, by a local authority (see Section 31 Local Government Act 2003).

Authorities already in receipt of government funding for waste projects (such as Defra's Rewards and Recognition programme or DCLG's Weekly Collection Support Scheme) will not be excluded from bidding. Where a local authority is already receiving other funding, their bid should demonstrate how funding from the Recycling Rewards Scheme will support additional activity and provide assurance that funding will support new/additional work. We would also expect to see evidence of the success generated by any current scheme.

Partnership working

We recognise that collection and disposal of waste and recycling are carried out by different authorities in two-tier areas. If a lead bidding authority is only responsible for a particular aspect of the collection or disposal of waste and recycling, its bid should confirm that all other affected authorities are supportive of the bid and meet the criteria. The purpose of this is to avoid perceived or real concerns about potential transfers of costs and benefits and to ensure that commitments are realistic. Equally, where an authority is submitting a bid that potentially has an impact on a third party or contractor, then it should confirm that relevant parties are supportive on the bid form. Working in partnership with others to monitor and evaluate the success of a project is also encouraged.

Monitoring and evaluation

We do not propose to performance manage the delivery of projects or track progress against projections in terms of recycling rates or delivering value for money. As is consistent with the government's commitment to transparency, we expect local authorities that are successful in their bid to monitor and evaluate the performance of their project and to volunteer to make that data publicly available. This should be demonstrated within the 'feasibility' criterion of the scheme's bidding form. We will also, before allocating funding in April 2015, ask for a commitment from successful bidders that the money they are to be awarded will be spent on the proposals as set out in their successful bid.

We may ask at the end of 2015/16 for information about progress on the scheme and information regarding the levels of recycling and volume of waste arisings beyond what authorities already produce. This is so that emerging successes of the scheme can be identified and good practice disseminated. The Department for Communities and Local Government reserves the right to ask for information year on year.

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Section Two: Bidding Information for the Recycling Reward Scheme

There are six core criteria which each bid must satisfy in all cases and each proposal must include these.

Criteria 1: Residual waste and organic/food waste collections frequency

Bids are welcomed from any local authority in England which operates a weekly residual and/or free weekly organic/food waste collection. As with the Weekly Collection Support Scheme, we propose to introduce a 'hierarchy' to be used to 'weight' bids on residual waste collection frequency. The hierarchy for bids will be:

- i) where a local authority currently offers a weekly collection of residual waste but has no recycling incentive scheme in place or wishes to enhance an existing recycling reward scheme;
- ii) where a local authority currently offers a fortnightly collection of residual waste in tandem with a free weekly collection of organic/food waste and proposes to introduce a recycling reward scheme or enhance an existing one;

Criteria 2: Reduce, reuse, recycle

Bids will be assessed on the ambition of proposed improvement in relation to reducing, reusing and/or recycling household waste, e.g the reduced tonnage to landfill and associated improvements in recycling, waste minimisation and decrease in contamination.

Criteria 3: Cost effectiveness

The assessment team will examine the cost effectiveness of each proposed initiative. It will examine the assessment made in the bid of the costs and benefits (e.g. monies that the councils will recoup from increased recyclate sale). Bidding authorities should set out their information about cost effectiveness and give detail on what the requested funds will actually be spent on: reward payments; scheme set up costs; publicity etc. Any match funding should also be highlighted.

Criteria 4: Feasibility

Linked to criteria 2 and 3, the assessment will look at the feasibility of each bid's proposals and scrutinise the estimated benefits or participation rates. It would look at details on timing/milestones and whether this is supported by a clear rationale. It will also assess the long term sustainability of the proposed project. Each bid should set out the planned communications campaign, ensure that internal communications within the council are robust and that all vital components of the council (waste management team; communications team, front of house, finance) are all involved in the implementation of proposals. Each bid will also require sign-off from the local Section 151 officer and any

other partners and should demonstrate how monitoring and evaluation will be built into the project so effective implementation can be identified.

Criteria 5: Additionality

All bids need to provide reasonable evidence that funding will support additional activity, rather than activity that would have progressed anyway (for instance through funding from the Weekly Collection Support Scheme).

Criteria 6: Confirmation

Confirmation that the proposal has been signed off by the lead Section 151 officer.

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Section Three: Process and timetable for assessing bids

Bidders are required to complete the application form attached as an annex. The information required in this form is needed to check that bids will fulfil the objectives of the fund and to help prioritise bids. **Bids should be received no later than 5 pm on 7 November 2014.**

Completed bid forms, approved by the Section 151 officer², should be returned in electronic format to the Recycling Reward Scheme secretariat via:

RecyclingReward@communities.gsi.gov.uk

Please start the subject line of your email with “Recycling Reward Scheme” followed by the Bid Authority name. This email inbox can also be used for any questions you may have about the Recycling Reward Scheme.

It is our intention to announce final decisions about which bids receive funding in December 2014.

Appraisal of Bids

An assessment team will review bids according to the criteria set out in section two of this guidance and make recommendations to the Department. A suite of potential bids will then be recommended to the Secretary of State for Communities and Local Government (with whom final decisions regarding funding and any related conditions ultimately lie).

Successful Bids

If a bid gains Ministerial approval, a conditional offer letter, setting out the terms and conditions of the Recycling Reward Scheme, will be sent to the lead bidding authority.

The conditional offer letter will seek to be as complete as possible. In a limited number of cases, offers may be made conditional on the satisfactory and timely completion of milestones, for example, regarding certain procurement processes.

At this stage, successful applications (but not their scores) may be publicised.

Formal Offer Letter

If confirmatory due-diligence is satisfactory, a formal offer letter setting out the final terms and conditions of the Recycling Reward Scheme funding will be sent to the applicant. If the applicant represents a consortium, it will be the responsibility of the lead bidding authority to communicate the offer to the other members of the consortium.

² As part of the bid, the Section 151 officer should include a confirmatory due-diligence assurance verifying that the information and assumptions presented in the bid are a true and fair reflection of the project.

Once an offer has been accepted, no allowance can be given for any subsequent increase in overall project costs.

As noted above, we will, before allocating funding, ask for a commitment from successful bidders that the money they are to be awarded will be spent on the proposals as set out in their successful bid

Payment of Support

Payment will be approved via the issue of a grant determination under Section 31 of the Local Government Act 2003. The timing of payments will be to a profile which will be set out to successful bidders in the offer letter but we expect it to be in April or May 2015.

Confidentiality

Throughout the bidding process details of individual bids, including feedback, will be treated as commercially sensitive and confidential. However, information may be published, or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000, the Data Protection Act 1988 and the Environmental Information Regulations 2004) as there is a statutory Code of Practice with which public authorities must comply, and which deals with, amongst other things, obligations of confidence.

Officials within the Department for Communities and Local Government, HM Treasury and Department for Environment, Food and Rural Affairs as well as the members of the Project Board and assessment team will have access to bids (and any supporting materials). Ministers will also have access to all information provided. If we receive a request for disclosure of the information we will process personal data in accordance with the Data Protection Act and in the majority of circumstances this will mean that personal data will not be disclosed to third parties.

While we will not disclose the nature, scale and scope of individual bids during the bidding process, we may use the information provided to produce an aggregate overview of the demand for the scheme and scale of projects that are likely to be funded. All feedback, written or oral, on submitted bids should be treated as confidential.

Once offer letters have been issued the Department may publish top line information about successful bids where this is deemed to be in the public interest (for example, the name of the successful lead bidding authority, the amount that will be awarded and nature and scale of the successful proposal(s)). Once confirmation letters have been issued the Department may disclose more detailed information about the bid. However, the actual bids (and supporting materials) and assessment scores will not be disclosed.

Section Four: Advice on How Bids will be assessed

The assessment process

Each bid will be assessed to check that it meets the all core criteria set out in section 2, and those that do will also be scored against each criteria, with the overall assessment taking into account all the factors and including an overall measure of its likely value for money. So, overall this approach takes into account both monetary and non monetary benefits.

What evidence are we looking for?

The following descriptions are intended to help give a better idea of what assessors will be looking for in the best bids.

Reduce, reuse, recycle

Each bid will need to provide data that demonstrates the relevant volume of waste arisings, and volume sent to each management route (e.g. recycling/treatment/disposal). This should be set for:

- the baseline year (taking the year before the project start date as the baseline year);
- (a minimum of) a two year period in a “do nothing” scenario; and
- (a minimum of) a two year period with a successful bid.

Assessors will use this information to test that a project will have a positive impact in relation to the management of waste.

Cost effectiveness

Assessors will be looking for evidence of:

- estimates of the cost of the proposed project and benefits expected to be delivered;
- explanation of how costs compare with industry standards/benchmarks, whether delivered in-house or out-sourced, or benchmark their performance against similar local authorities; (accordingly, local authorities may wish to explain any particular circumstances that have driven local choices away from standard benchmarks)
- budgetary impact of the project compared to current expenditure level and likely expenditure pattern if bid is not successful;
- increased value of increased quality and volume of recycle;
- where applicable, reduction in landfill charges;
- household participation rates; and
- where applicable, value per household of reward points earned.

Residual waste collection frequency

Assessors will be looking for evidence of (as a minimum) data on the number of households in the local authority area(s) according to type of service currently received.

Where an authority operates more than one service configuration these should be explained. Assessors will then take into account the number and percentage of households that will benefit from the bid's proposals.

Feasibility

Assessors will be looking for evidence that:

- a project is deliverable and that there is sufficient capacity and capability in the bidding organisations to manage the delivery of the project (this may include financing or project management);
- local monitoring and evaluation has been considered and can be built into the project so effective implementation can be identified;
- the timetable/milestones seem realistic;
- a bid is realistic about the risks and dependencies of the project;
- the Section 151 officer for the lead bidding authority has signed-off the bid;
- where applicable, a bid has targets for the number of reward or community reward based partners that will sign up; and
- bids set out any local communication and/or promotional campaigns and demonstrate that internal communications within the council are robust and that all vital components of the council (waste management team; communications team, front of house, finance) are all involved in the implementation of proposals.

Additionality

Assessors will be looking for evidence that funding will support additional activity, rather than activity that would have progressed anyway (for instance through funding from the Weekly Collection Support Scheme). This should be simple, perhaps in the form of council minutes that record the first proposal of such a scheme.

In the case of group / consortium bids, assessors will also be looking for assurances from the lead bidding authority that they have certified the validity of any information provided as part of the bid process.

Other information

The 'Other Information' section provides an opportunity for local authorities to provide any additional information that they think the assessors require to evaluate their bids.

Timetable for Recycling Reward Scheme 2015-16

7 November 2014	Deadline for bids for 2015-16 Recycling Reward Scheme
10-28 November	Assessment of bids
1- 5 December	Submission to Ministers regarding bids
8-31 December	Final decisions made on successful bids
December/January	Announcement of successful bids
December/January	Feedback to unsuccessful bidders