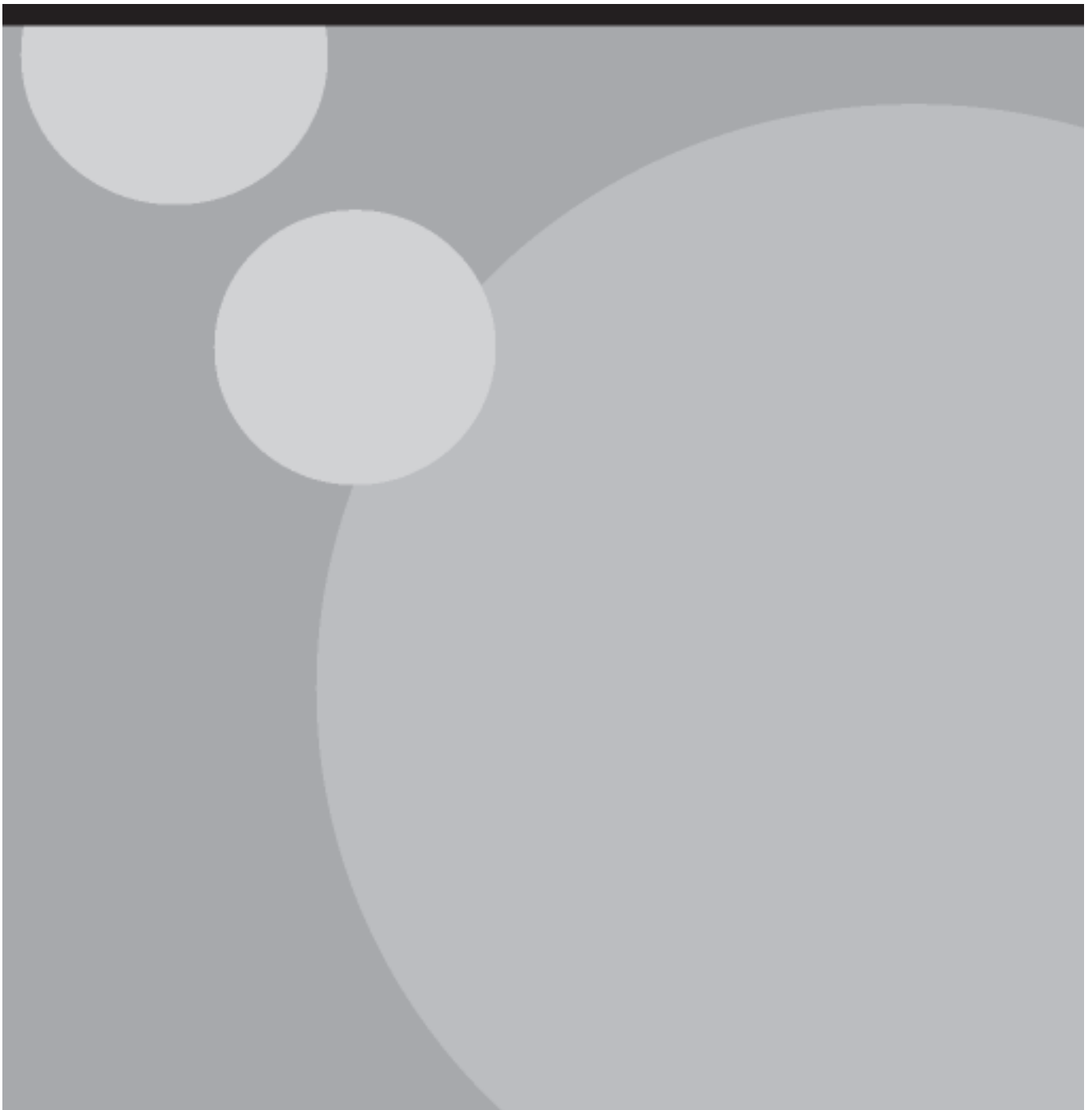




## Supporting Weekly Collections

### **Prospectus and bidding form for applicants**



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## **Foreword**

I am delighted to be able to set out more details of the Weekly Collection Support Scheme which will support councils and encourage weekly collections of waste and recycling across the country. Weekly rubbish collections are the most visible of all frontline services, and I believe every household in England has a basic right to have their rubbish collected every week.

In June last year, the Coalition Government stated in its Review of Waste Policy that it wanted to work with local authorities to: “increase the frequency and quality of rubbish collections and make it easier to recycle, and to tackle measures which encourage councils specifically to cut the scope of collections. The Government understands that the public have a reasonable expectation that household waste collections services should be weekly, particularly for smelly waste”.

From today up to £250 million will be available to English local authorities that want to retain or reinstate weekly collections. This Scheme will also help deliver the Coalition Agreement’s pledge to “encourage councils to pay people to recycle, and work to reduce littering.”

I know that many councils are already reforming service delivery and finding ways to increase recycling or cut contract costs. I am looking forward to seeing the innovative ideas councils come up with. This scheme will literally help stop the rot. Over the last decade, we have witnessed a massive decline in the number of households getting weekly collections and an increase in people having to store food waste and nappies for up to two weeks. The Coalition Government has already stopped the measures that have encouraged councils to reduce their services and adopt fortnightly collections by removing the top down guidance. We have also abolished plans to impose new ‘bin taxes’ on family homes, and the Government is currently consulting on plans to rein back in the use of unfair and disproportionate ‘bin fines’ to protect the civil liberties of law-abiding citizens.

It may be that some councils do not embrace this opportunity to offer weekly collections to their residents, but at the heart of localism is choice, meaning that councils have the opportunity and means to take a decision to improve their service, and be held account at the ballot box. Either way, local residents should be actively consulted – it is wrong for council officials to not even bother to ask local people what they think and want.

Many have not had that freedom to date and this fund will change that. It signals that a shift in the approach and attitude towards rubbish and recycling collections can happen. This new approach puts the householder, the environment, and value for money at the forefront of how councils should think about a weekly waste collection.

**Secretary of State, Rt Hon Eric Pickles MP**

## Introduction

The Coalition Government's Review of Waste Policy in England 2011 ("[the Waste Review](#)") set out the Government's commitment to work with local authorities to 'increase the frequency and quality of waste collections and make it easier to recycle'. The Weekly Collection Support Scheme is designed to help authorities introduce, reinstate or retain weekly collections of household waste.

The Weekly Collection Support Scheme aims to reverse the shift towards fortnightly rubbish collections which has resulted in residual waste being stored 'at home' for long periods between collections. This Scheme will support projects that are innovative, promote better procurement and joint working across local authorities and the private sector, and support a range of local initiatives to increase recycling and deliver weekly collections.

Waste services are designed by local authorities to produce fit for purpose local solutions. However, some local authorities struggle to free up the initial funding needed to invest in better weekly collections, or need assistance with innovative and transformative change.

The Weekly Collection Support Scheme, which is a challenge fund, supports local choice by avoiding prescription about how services are configured. It is designed to help local authorities that want to deliver weekly waste and recycling services to their residents. This Scheme supports authorities that need help to bridge the gap in terms of up front investment for new technology, infrastructure, incentives and innovations. It could also support running costs for services. By setting outcome based criteria, the Scheme is inviting local authorities to develop innovative bids that suit and reflect their local needs.

The Scheme is worth up to £250 million over the Spending Review period (£50 million in 2012/13, £100 million in 2013/14 and £100 million in 2014/15). The Scheme will begin paying money to authorities from the 2012/13 financial year. While an authority can submit more than one bid, we anticipate most authorities will want to concentrate on developing a single, high quality bid. Interested local authorities should in the first instance inform the Department for Communities and Local Government of their intention to bid by providing an expression of interest.

Bids will be evaluated on the basis of the extent to which they meet the criteria set out in this prospectus. A Technical Advisory Group (which will be made up of commercial and policy experts in the field of waste collection and disposal) will review expressions of interest and bids. The Project Board (which governs the Scheme and represents interested departments from across Government) will consider the Technical Advisory Group's findings before the project team provides feedback to local authorities on their expressions of interest and bids. Where a local authority decides to go on and submit a final bid, a similar assessment will then take place before a final

decision regarding funding (and any related conditions) is taken by the Secretary of State for Communities and Local Government.

This prospectus contains the information that a prospective bidder will need to complete an outline bid. It is broken into the following Sections;

- Section One: General Information about the Fund
- Section Two: Bidding Information for the Weekly Collection Support Scheme
- Section Three: Process and Timetable for Assessing Bids
- Section Four: Advice on How Bids will be Assessed

In addition, you should refer to the following appendices;

- Appendix i: The Timetable
- Appendix ii: Overview of the bidding process
- Appendix iii: Expression of interest pro forma
- Appendix iv: Bid Template

Interested local authorities should contact the Department for Communities and Local Government and submit a non-binding expression of interest no later than 16 March 2012. The next stage will require;

- Outline bids to be received no later than 11 May 2012.
- Final bids to be received no later than 17 August 2012.

The time between producing the outline bid and the final bid is an opportunity for local authorities to get internal agreement / sign off for the proposal and to strengthen the material provided in the outline bid. At any stage in this process we may ask for additional information or provide advice if and where bids can be strengthened.

It is our intention to announce final decisions about which bids receive funding by October 2012.

## Section One: General Information on the Weekly Collection Support Scheme

The aim of this scheme is to support local authorities to:

- a) introduce, retain or reinstate a weekly collection of residual<sup>1</sup> household waste. In addition, these collections must be supplemented by a separate recyclables<sup>2</sup> collection at least once a fortnight; or
- b) propose improvements to an existing waste service which is already centred around a weekly residual collection, for example by improving environmental performance, increasing the affordability or sustainability of that service; or
- c) add a weekly food waste (or organic waste) service to an existing fortnightly collection of residual household waste, where an authority can credibly demonstrate that this represents the preference of local people. This additional service will reduce the amount of biodegradable waste sent to landfill, and reduce the amount of biodegradable food waste that has to be stored in or around the home.

The Government is particularly keen to promote new technologies, the use of incentives ('reward' schemes) and promote better procurement and joint working. A detailed description of the 'criteria' is set out in Section Two. The more comprehensive a collection service is, the more likely it is to score well against the assessment criteria in Section Four.

### Funding

The Department for Communities and Local Government is making available up to £250 million to English local authorities over three years; £50 million in 2012/13, £100 million in 2013/14 and £100 million in 2014/15. Local Authorities that successfully bid for funding will be offered a Section 31 grant payment that they can use for either revenue or capital expenditure.

We recognise that the decision to bid may depend on the amount of funding available to local authorities. There is therefore no threshold or cap on the amount of funding an authority can bid for. Local authorities may bid for up to 100% 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. £5 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.

Local authorities may bid for a lump sum or to spread the bid over the three years of the scheme. If, for example, a local authority was bidding for £3

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<sup>1</sup> 'Residual' waste refers to any collected household waste that is not sent for reuse, recycling or composting

<sup>2</sup> 'Recyclables' refers to any collected household waste that is sent for reuse, recycling or composting. It can include food waste, garden and other organic waste, paper and cardboard, plastics, glass, metals, wood, textiles, Waste Electrical and Electronic Equipment and any other materials collected by local authorities.

million but wanted to stagger that into three payments (e.g. £0.5 million in 2012/13 + £1 million in 2013/14 + £1.5 million in 2014/15) then that could be acceptable. Equally, if a particular project needed upfront investment, a local authority could bid for a lump sum payment in any of the three years of the Scheme. Where possible we will try to accommodate these preferences, but the budget is limited to a fixed amount in each year so until all bids have been assessed, no guarantees can be made that specific profiles will be met.

The profile of payments and whether funds are paid in advance or arrears will be agreed once successful bids have been identified. It is our intention that grant payments will not be ring-fenced.

Where a bid is for funding that will be used to procure goods and/or services, then the bid will need to describe the procurement activity and how it will be undertaken. For example, if the funding will be used for a project that will require an OJEU notification, then this should be clearly set out and the projected spending profile should allow sufficient time for procurement. Equally, authorities will need to set out how they will manage internal processes where they are using or amending an existing framework or contract<sup>3</sup>.

### **Eligibility**

Any local authority in England can lead a bid – whether they are a collection or disposal authority. Each bid can be for funding for an individual local authority, a group of authorities, 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<sup>4</sup>. 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 PFI programme, Waste and Recycling Action Programme funded projects, or the Regional Growth fund) will not be excluded from bidding. No preference will be given to awarding grants to authorities that are or are not in receipt of other sources of funding. Where a local authority is already receiving other funding, their bid should demonstrate how funding from the Weekly Collection Support Scheme will support additional activity and provide assurance that funding will support new/additional work.

### **Ensuring that partners are on board**

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

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<sup>3</sup> The lead bidding local authority will be responsible for ensuring all elements of procurement are fair, transparent and lawful.

<sup>4</sup> The Scheme is limited to English local authorities, and the fund will not support bids from the rest of the United Kingdom.



recycling, or a sub-set of the geographical area or if the lower / upper tier is bidding individually for funding, the lead authority's bid should confirm that all other affected authorities are supportive of the bid. 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 outline bid form.

For bids that propose to introduce a weekly food waste (or organic waste) collection to supplement a fortnightly collection of residual waste, bidding authorities will also be asked to confirm that this has credible support<sup>5</sup> from local people.

### **A minimum five year commitment to weekly collections**

The Scheme will award funding to local authorities that commit to weekly collections for (a minimum of) five years from 2012/13 (or the first year of the bid).

It will be important therefore that residents are able to track this commitment. As such, we will request the local authority to set out how they intend to promote their commitment in a way that avoids unnecessary data reporting or bureaucracy. For example, this could be via an authority's website, in waste and recycling collections literature for householders, or as a statement in the authority's annual report/accounts.

### **Monitoring and evaluation**

We do not propose to performance manage the delivery of projects or track progress against projections in terms of weekly collections or delivering value for money. We recognise however that many factors can affect performance, both positively and negatively, especially over a five year period. 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.

We do not intend to ask for any additional monitoring of levels of recycling and volume of waste arisings beyond what authorities already produce (for example, completing Waste Data Flow statistical returns). However, we anticipate that Defra will continue to engage with all local authorities to ensure that the national targets regarding diversion from landfill, increased recycling and carbon reduction are met.

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<sup>5</sup> This could include qualitative or quantitative feedback from residents.

## Section Two: Bidding Information for the Weekly Collection Support Scheme

There are three core criteria which each bid must satisfy in order to be considered successful. Each proposal must:

- deliver a weekly collection of residual household waste to residents and in addition recyclables, or, where an authority already operates a fortnightly collection of residual household waste and they can credibly demonstrate that this represents the preference of local people, the addition of a weekly food waste (or organic) collection;
- deliver value for money (in terms of cost effectiveness); and,
- deliver an environmental benefit over current performance.

The Government recognises that there is no one size fits all approach. A bid will need to take account of a local authority's Waste Strategy and current service configuration. The Government therefore intends that local authorities can bid for funding towards revenue and capital costs (for example for technology or infrastructure) provided their bid can demonstrate that these are expected to deliver against the three criteria above.

The outline bid form is included at Appendix i. Bids will be assessed by a Technical Advisory Group against the bidding criteria. Potential bidders might find the advice and examples below helpful in terms of presenting and evidencing a bid.

### **Additionality**

All bids need to provide reasonable evidence that funding will support additional activity, rather than activity that would progress anyway. For some authorities, that might mean adding a weekly collection of residual household waste. For others, it might be adding a separate recycling collection. Where bids seek to retain a pattern of service provision already in place, they should provide evidence that their bid will fund service improvements, for example by increasing affordability and sustainability of the chosen service configuration, rather than solely subsidising an inefficient service.

### **Commitment to Weekly Collections**

Bids should (as a minimum);

- Set out current waste and recycling service configuration. This will be used as a baseline. Against this, it will be necessary to project a counterfactual scenario<sup>6</sup> based on the service design that would be in place without Scheme funding. This is required to demonstrate the additionality in the level of service offered to residents.
- Set out the collection pattern(s) that the bid is proposing to commit to over the future (minimum) five year period, whether this is retaining or

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<sup>6</sup> 'Counterfactual' refers to what you think will happen over the next 5-10 years if your project does not receive funding from this scheme.

reinstating a weekly collection of residual household waste, adding a recycling element to a weekly residual collection, or adding a weekly food waste (or organic) collection to an existing fortnightly collection of weekly residual household waste. While a bid does not need to provide support for all households/dwellings within a locality, the bid should set out what the coverage would be as a percentage of all households and an absolute number;

- Identify the scope of the bid in terms of number of households that would receive a weekly collection. **Comprehensive collection schemes will tend to score more highly because they offer the most comprehensive service to householders.** The hierarchy would be:
  - i. **a weekly residual collection alongside a weekly recyclables collection;**
  - ii. a weekly residual collection with fortnightly recyclables collection;
  - iii. adding a weekly food waste (or organic) collection to a fortnightly collection of residual household waste.

### **Cost-Effectiveness**

Bids should (as a minimum):

- Baseline current costs of waste management services (these are the private costs incurred by the local authorities and any bid partners). This would include wider benefits (for example reduced fly tipping) from the local authority's perspective and can include savings from reduced Landfill Tax payments.
- Provide a counterfactual scenario based on the service design that would be in place without Scheme funding for the next five years.
- Set out the costs of the proposed project and provide the annual costs over the five year period. For a larger or more complex bid, eg investment in new infrastructure, service costs may be shown over a longer time horizon where this is necessary to illustrate cost effectiveness.
- Cost information should include, but separate out, current and projected collection, and if relevant, any change in disposal costs and net savings against the counterfactual scenario (including, for example, Landfill Tax).

Bids may also include a brief summary of how the proposal compares to other options (which may have been considered previously). This will help provide context for the cost-effectiveness assessment alongside existing benchmarks for the costs of service delivery. This may be produced in the format of a Waste Flow analysis, which would ideally be attached to the bid submission. Furthermore, where it is possible to monetise 'other' environmental benefits, such as reduced littering or fly-tipping, these can also be included in your cost-effective section.

## **Environmental Benefits**

Bids should (as a minimum);

- Set out a baseline of current environmental performance<sup>7</sup> and a counterfactual scenario (based on the service design that would be in place without Scheme funding) for the next five years.
- Set out the environmental changes the bid is expected to deliver. This could include, but is not limited to waste minimisation, improved recycling rates, reduction in waste going to landfill, and reduced CO2 emissions.
- Calculations of environmental performance will be generated from the volume of waste arisings, and volume sent to each management route (e.g. recycling, treatment, disposal).

Bids should not:

- Include any monetised element for carbon savings. When assessing bids, the Technical Advisory Group will convert waste arisings into carbon equivalents.

## **Further considerations that will be taken into account when assessing bids**

### **Innovation**

It will be for individual authorities to find innovative solutions that help introduce, reinstate or retain weekly collections for their residents. However, examples of innovative service design that will help bids score more highly may include;

- Reward schemes
- The extent to which private sector investment has been engaged
- Participation of small and medium sized enterprises or the voluntary/social enterprise sector in the delivery of waste management services
- More effective or joined up procurement / service delivery
- The use of technology (including, but not exclusively, mechanical biological treatment, composting and anaerobic digestion)
- Making services more customer focussed (e.g. reduced number of bins, tackling the problem of 'bin blight')
- Synergies with existing waste management plans or strategies (where these are in place)
- Utilising existing value for money options, e.g. procurement frameworks

### **Feasibility**

The feasibility of a bid will also be taken into account. Although a bid will not be required to provide a detailed outline of how it will be governed or its implementation overseen, outline bids should provide appropriate assurances that:

- Where bidding for a proportion of funding, the rest of the funding has/can be found.

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<sup>7</sup> Baselines should include overall waste arisings, recycling levels, and diversion from landfill

- Projects will be financially sustainable beyond the three years of central Government funding.
- There is sufficient procurement capacity and skills capability to manage bids that rely on third parties for goods and services.
- Governance arrangements (including details of the legal status of any consortia), project management arrangements, and timetables are in place to deliver the proposal.
- The delivery approach includes a realistic assessment of the risks and dependencies of the project,
- Due diligence, tax, State Aid<sup>8</sup> and legal issues have been taken into account (where applicable).
- The Section 151 officer for the lead bidding authority will sign off the final bid.

The robustness of any modelling and analysis underpinning the outline bid will also be considered, but assessors recognise that this work should be proportionate to the size of the overall bid. We do not prescribe specific modelling approaches, but it will be the lead bidding authority's responsibility to provide to our satisfaction a clear demonstration of the related impact (for example, explaining assumptions). Bidders are not required to submit full technical details (e.g. specifications for collection trucks or waste management facilities) as part of the outline bid, although we may request relevant material to inform the assessment of the bid.

An illustration of how all of the above criteria will be assessed is included in Section Four.

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<sup>8</sup> Where a bid relies on or involves financial support for a private sector undertaking that support must be compatible with EU State Aid rules. The lead bidding authority will be responsible for ensuring a project is State Aid compliant.

## Section Three: Process and Timetable for Assessing Bids

This section outlines the steps of the application process for the Weekly Collection Support Scheme.

### ***A non-binding Expression of Interest***

Ahead of submitting an outline bid, an authority should send us an 'Expression of Interest' so that we can see what kinds of bids are being considered and whether there is anything the Department can do to facilitate the development of successful bids (e.g. by offering further guidance). It will also help with the smooth administration of the bidding process by enabling the Department to prepare for the volume and range of bids we might receive.

Expressions of interest should be received no later than 16 March 2012 and should set out using the pro-forma at Appendix iii and describe;

- if the local authority is interested in preparing an application (and if that would be individually or as part of a group or consortium with other authorities and/or third parties)
- an outline in very brief terms of what the bid is and how it will meet the criteria (eg weekly collections for X households and X increase in environmental benefits), what the funding would deliver and approximately how much it could cost (NB: costing information will not be considered binding in any way, so it is acceptable if the eventual bid ends up being for a smaller or greater amount)
- whether this will underpin weekly collections, demonstrate environmental benefits and value for money and explain broadly how the local authority would meet these criteria
- whether procurement or planning permissions will be required, or if there are likely to be any state aid considerations
- whether there are particular barriers or challenges to bidding that central Government could address ahead of outline bids being submitted

### ***Outline bid***

Bidders are required to complete the bid form – attached at Appendix iv. The information requested in that form is needed to check that bids will fulfil the objectives of the fund and to help prioritise bids. Outline bids should be received no later than 11 May 2012.

No financial resources will be provided by Government to assist bidders in compiling their applications.

Completed outline bid forms, approved by the Section 151 officer, should be returned in electronic format to the Weekly Collection Support Scheme secretariat via:

**[weeklycollectionsupportscheme@communities.gsi.gov.uk](mailto:weeklycollectionsupportscheme@communities.gsi.gov.uk)**

Please start the subject line of your email with 'WCSS OUTLINE BID <INSERT NAME OF LEAD BIDDING AUTHORITY>'.

The maximum size for submissions is 5mb. Please contact us where a submission may be larger than this.

Where only a paper copy of a bid will be submitted, these should reach us no later than midnight on 11 May 2012 at the following address;

The Weekly Collection Support Scheme Policy Team  
Department for Communities and Local Government  
Eland House  
Bressenden Place  
London  
SW1E 5DU

### ***Feedback on Outline Bid***

The Technical Advisory Group will review bids and the project team will provide feedback to local authorities by 22 June 2012. It will then be up to a bidding authority to decide whether they wish to complete and submit a final bid.

To help ensure that the Technical Advisory Group can assess outline bids as fairly as possible a bidding authority may be asked at any stage to clarify the information provided in its application.

### ***Submitting a Final Bid***

It is only possible to submit a final bid if an outline bid has already been submitted. Final bids must be received no later than 17 August 2012.

The main difference between the outline bid and final bid is that the final bid must have been approved in accordance with a local authority's internal processes, as well as approved by the lead bidding authority's Section 151 officer<sup>9</sup>. An updated bid form should be submitted, this will provide the basis for assessing and scoring bids. A bid should include relevant supporting documentation which confirms internal clearance and explains the feasibility of the bid.

Once completed, final bids should be submitted to the following email address:

**[weeklycollectionsupportscheme@communities.gsi.gov.uk](mailto:weeklycollectionsupportscheme@communities.gsi.gov.uk)**

Please start the subject line of your email with 'WCSS FINAL BID <INSERT NAME OF LEAD BIDDING AUTHORITY>'.

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<sup>9</sup> As part of a final 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.

The maximum size for submissions is 5mb. Please contact us where a submission may be larger than this.

Where only a paper copy of a bid will be submitted, these should reach us no later than midnight on 17 August 2012 at the following address;

The Weekly Collection Support Scheme Policy Team  
Department for Communities and Local Government  
Eland House  
Bressenden Place  
London  
SW1E 5DU

### **Appraisal of Final Bids**

The Technical Advisory Group will review final bids according to the criteria set out in Section Two of this guidance. The project team will take into account their advice before scoring bids and making recommendations to the Project Board and DCLG Ministers on which bids best address the objectives of the Scheme.

Ultimately, all decisions about which bids receive funding (including the amounts and profile of funding) will be taken by the Secretary of State for Communities and Local Government.

### **Successful Bids**

If a final bid is successful and gains Ministerial approval, a conditional offer letter, setting out the terms and conditions of the Weekly Collection Support Scheme, will be sent to the lead bidding authority.

The conditional offer letter will seek to be as complete as possible, including provisionally agreed payment milestones. In a limited number of cases, offers may also be made conditional on the satisfactory and timely completion of, for example, statutory planning processes, procurement or attainment of permit(s).

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 Weekly Collection Support 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.

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

### **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. Where



payments are spread over multiple years, we reserve the right to request additional information year on year about how money will be spent.

### **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 DCLG, HM Treasury, and Defra as well as the members of the Technical Advisory Group and Project Board 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 outline bids and final bids should be treated as confidential.

Once offer letters have been issued the Department may publish top line information about 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

### Multi-criteria analysis

Once outline bids are received we will assess them using a multi-criteria analysis (MCA) approach. This approach has been chosen as it enables;

- monetary and non-monetary benefits and impacts to be taken into account when evaluating bids; and
- bids to be assessed on the basis of their cost effectiveness relative to recognised industry standards, rather than just on the basis of total costs exceeding total benefits.

More information about multi criteria analysis is at;

<http://www.communities.gov.uk/publications/corporate/multicriteriaanalysismanual>

### The Assessment Process

Each bid will be assessed individually against the criteria set out in this section. In addition, the overall package of successful bids will need to meet a series of aggregate tests. This is to ensure that the scheme as a whole offers value for money and delivers environmental benefits, and provides a reasonable spread of successful bids (for example by type of bid, geographical spread, and the number of households or local authorities benefiting). Bids will be assessed in the following stages.

**Stage 1** - Each bid will be assessed individually to ensure that it meets the three core criteria, i.e. it is cost-effect, shows an environmental benefit over current performance and that there is the required frequency of collection. Each bid that meets the core criteria will go through to Stage 2 of the assessment, and the rest are rejected.

**Stage 2** – Each bids is then scored against all the criteria – Cost-Effectiveness, Collection Pattern, Environmental Benefits and Innovation. The metrics for all criteria are calibrated on a 0-100 interval scale so they can be combined to produce a single overall score (without weights). 100 is always the “best” score.

**Stage 3** – Separately, the policy team will assign weightings to the criteria and carry out a sensitivity analysis to sense-check the effect these weightings have on the ranking of bids. The choice of the weightings will ensure that the overall package of successful bids (when taken as a whole) maximises cost effectiveness, satisfies the aggregate environmental tests, and demonstrates a reasonable spread of successful bids (noting factors such as type of bids, geographical spread, and the number of households or local authorities).

**Stage 4** - A feasibility check will be applied to the whole package of bids. This feasibility check will consider technological risks, financial risks (i.e. access to finance), evidence of support between collection and disposal authorities in two-tier areas, statutory requirements (i.e. planning permission, Environment Agency licensing, procurement

timescales, EU State Aid compliance), and realistic timetables for delivery. Feasibility will be weighed alongside the absolute size of the bid, so that we can manage risk to the fund as a whole and avoid committing funding to high risk projects.

**Stage 5** – The overall package of bids will then be assessed in the aggregate against the environmental tests and value for money. This might lead to further adjustment to the final weightings in the scoring system in order to assemble a package which maximises cost effectiveness and demonstrates a reasonable spread of bids (type of bid, geographical spread, and the number of households or local authorities benefiting).

### Scoring matrix

Assessors will review a local authority's bid and assign a score to each of the criteria.

The following matrix is illustrative in parts (e.g. the list of items listed under evidence sought is not definitive) but it helps exemplify how different bids will be assessed against each criterion. Bids will receive an aggregate score and be ranked on that basis once the relative weighting of the criteria has been settled. It may be helpful to review the scoring system and take account of the advice below when completing an outline bid.

Core Criteria	Scoring	
	Evidence Sought	Rating
Cost Effectiveness	Assessing whether projects demonstrate a cost effective means of achieving their proposed aims. This may include estimated savings from other environmental benefits (e.g. reduced littering), which are not captured in the criterion on quantifiable environment benefits (see below).	Bids arranged on an interval scale 0-100.
Collection Pattern committed to	Looking at how comprehensive the commitment to 'weekly collections' is. This will be partly based on the hierarchy of the type of collection pattern.	Bids calibrated on a continuous scale 0-100.
	Also taking into account the effect of the project on the absolute number and percentage of households that will receive a weekly collection.	
Quantifiable Environmental Benefits	Estimate the carbon impact of the project using the data on anticipated changes in waste arisings and management route.	Bids calibrated on a continuous scale 0-100.
Innovation	Assessing how innovative the approach towards delivering weekly collections is.	Bids calibrated on an interval scale 0-100.

### **What evidence are we looking for?**

Many of the criteria comprise a number of dimensions rather than a single measure. Assessors will, however, require assurance of the validity of any baseline data.

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

### **Basic Information**

This section is to collect some basic information on an authority. It will also enable us to track joint bids or different bids from the same authority.

If a bid entails a significant change in the type of service that would have been provided to residents, assessors will expect to see some evidence and the rationale for that assertion. In particular, where a bid asserts that they would move to fortnightly collections if funding from the Scheme were not secured, then assessors would want to see some evidence of that intent. This could be official council papers reviewing service configuration, or evidence that growing costs were becoming unsustainable, or evidence that this was one of the options recently consulted on or considered with their service provider. Evidence will also be sought that bids will fund genuine service improvements, for example, by increasing the affordability and sustainability of the chosen service configuration, rather than solely subsidising an inefficient service.

### **Commitment to Weekly Collections**

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 received currently, projections over the next five years, and what the impact of the proposed project will have on those profiles. Where an authority operates more than one service configuration these should be explained.

Overall, assessors will be evaluating the number and percentage of households receiving a weekly collection of residual waste and recycling (or in the case of bids from fortnightly collection authorities, the additional number of households being offered a weekly food/organic waste collection). Scoring will be weighted to reflect the 'comprehensiveness' of proposals reflecting the hierarchy, and will be expressed as a value between 0 and 100, the scoring will also take appropriate account of the 'additionality' of bids.

### **Cost Effectiveness**

Assessors will be looking for evidence of (as a minimum):

- cost of the proposed project;
  - in absolute terms, taking account of private costs to the local authority (taking the year before the project start date as the baseline year);

- how costs compare with industry standards/benchmarks, whether delivered in-house or out-sourced, or benchmark their performance against similar local authorities;
- budgetary impact of the project compared to current expenditure level and likely expenditure pattern if bid is not successful (for a minimum of five years);
- evidence that, where relevant, different service design options as well as procurement approaches have been tested; and
- anticipation of changes to costs over time, for example (where appropriate) allowing for asset depreciation and future design reconfigurations.

Assessors may also consider;

- a) How the change in service costs compares with the authority's existing baseline. Particular credit will be given to projects which find additional ways of increasing service effectiveness. You may wish to refer to published and/or expert benchmarking information and standard costings
- b) Whether the costs of the project are appropriate
- c) Whether different options for delivering the project have been considered
- d) If there is evidence of compliance with regulations, such as the European Procurement Rules
- e) Whether there is evidence that those decisions have been informed by the likely effects on provision of other local authority services, and whether this is acceptable
- f) Procuring jointly with other organisations or using a procurement framework agreement to deliver savings on existing contracts.

They will take into account socio-demographic contexts when reviewing cost information regarding current and future configurations of service. Assessors will also look at whether assumptions are appropriate and proportionate. Accordingly, local authorities may wish to explain any particular circumstances that have driven local choices away from standard benchmarks.

### ***Environmental Benefit***

Each bid will need to provide data that demonstrates the 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) the five year period in a “do nothing” scenario
- (a minimum of) the five year period with a successful bid

Assessors will use this information to test that a project will have a positive impact in relation to overall greenhouse gas emissions from the management of waste (arisings levels and treatment). In addition, the following measures will be used to ensure consistency with statutory targets;

- the trajectory to meet the EU Waste Framework Directive target to have 50% of households waste recycled by 2020;
- the trajectory to meet the EU Landfill Directive target of reducing biodegradable municipal waste sent to landfill to 35% (of 1995 levels) by 2020.

As a first-stage ‘filter’, individual bids will be assessed against each of these environmental tests to ensure that they demonstrate improvement in at least one aspect over current environmental performance. Only those demonstrating an improvement will proceed to be scored as below.

Individual bids are assigned a score based on the effect the project will have on their performance in relation to the greenhouse gas emissions test only over the first five years of the bid. This is translated into a monetary amount which reflects the environmental damage avoided, using a value for the social price of carbon.

Finally, the environmental changes in the individual bids from their “do nothing” scenario of what would happen to performance in the absence of the scheme are calculated and then summed to complete an aggregate environmental assessment in relation to each test. This is to ensure that the successful bids, taken altogether, make a positive contribution to meeting these statutory targets compared to the “do nothing” scenario.

### **Innovation**

Assessors will be looking for evidence of local authorities having explored:

- reward schemes
- private sector investment
- engagement/participation of small and medium sized enterprises or the voluntary/social enterprise sector
- more effective or joined up procurement / service delivery
- the use of new technology
- synergies with existing waste management plans or strategies (where these are in place)

Assessors will consider the extent to which a bid incorporates innovation and how any innovation amplifies cost savings, service quality and environmental benefits.

### **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)
- a bid is realistic about the risks and dependencies of the project

- that issues such as due diligence, tax, State Aid<sup>10</sup> and legal issues (where applicable) have been addressed
- that the Section 151 officer for the lead bidding authority is willing to sign off the final bid

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 form also includes an 'Other Information' section. This is there to allow local authorities to provide any additional information that they think the assessors require to evaluate an outline bid. This is an opportunity to set out, at the outline bid stage, how much more work is needed in order to produce a final bid. Please limit comments to a maximum of one side of A4 (Arial font, size 12).

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<sup>10</sup> Where a bid relies on or involves financial support for a private sector undertaking that support must be compatible with EU State Aid rules. It is the responsibility of the lead bidding authority to ensure State Aid considerations are managed.