

EXPLANATORY NOTES

The Community Waste Innovation Fund

The Community Waste Innovation Fund replaces the Landfill Tax Credit Scheme (LTCS) and Interim Replacement Fund.

The LTCS was introduced in 1996 to encourage environmentally sensitive waste management policies, enabling Landfill Operators to divert a proportion of their Landfill Tax liability to environmental projects in the surrounding area.

The reform of the LTCS, announced in the November 2002 Pre Budget Report, and effective from 1 April 2003, withdrew waste management projects from the scope of LTCS. The aim of the reform was to provide funding for a more strategic approach to sustainable waste management, via a new public expenditure scheme.

An Interim Replacement Fund run by EHS was established to provide continuity of funding for a further year from 1 April 2003 to 31 March 2004 for existing registered projects.

Following consultations with a range of stakeholders in the voluntary and community sector of the Northern Ireland waste industry, EHS decided to extend the Interim Replacement Fund in 2004/05 and to postpone commencement of the Community Waste Innovation Fund until 1st April 2005.

The Community Waste Innovation Fund (CWIF) has been established by the Environment and Heritage Service (EHS) to address the gap in funding for community based waste management projects created by the restructuring of the Landfill Tax Credit Scheme.

How much funding is available?

A maximum annual grant of £150,000 may be available to each applicant. This can be made up of one, two or three projects in the financial year.

Who is eligible to apply?

The fund has been established to facilitate the continued involvement of the not-for-profit sector in the waste management arena in Northern

Ireland. It is primarily intended that the CWIF will support community and voluntary sector organisations in undertaking projects that will contribute to the delivery of the Northern Ireland Waste Management Strategy (NIWMS).

What projects are eligible?

The overall objective of the Fund is to build upon the most successful elements of the LTCS, whilst strengthening the direct contribution of community and voluntary sector projects to achieving NIWMS targets. This is expressed as follows:

- To ensure supported actions are clearly linked to the achievement of the NIWMS targets;
- To ensure supported actions are consistent with, and complement, the District Council WMPs;
- To support innovative projects;
- To minimise duplication of effort across Northern Ireland;
- To ensure that best practice can be shared;
- To ensure that funding is available in all areas of Northern Ireland; and
- To address gaps in funding to ensure that all stakeholder groups are supported in bringing forward projects.

The LTCS has been commended for its flexibility in supporting a wide range of project types. This flexibility, as far as possible, will be maintained. The following key principles will be applied in determining the eligibility of individual projects:

- Contribution to implementation of NIWMS in qualitative or quantitative terms;
- Degree of innovation;
- Coverage of project across Northern Ireland;
- Potential influence on waste management practices across the region;
- Prospect for sustainability of project beyond grant assisted period;
- Avoidance of displacement of existing activity, i.e. overlap with or replacement of existing provision.

Sustainable waste management must become an ongoing practice within Northern Ireland. Projects must be time bound, either as specific actions

or in terms of fixed term pilot programmes or projects, at the end of which their results will be assessed. In the longer term, the roll-out of successful pilots will be a mainstream waste management activity and ineligible under this scheme.

Project sustainability is a key criteria in ensuring that the scheme delivers long-term benefits to Northern Ireland, maximising the return on the public sector funds. Whilst supporting innovation, the scheme will require promoters to consider at inception how they propose to fund the roll out of successful projects in the long term as they translate into mainstream activities.

Applications must be accompanied by an Economic Appraisal to demonstrate the viability of the project.

What costs are eligible?

Capital

- Equipment [necessary for the success of the project]
- Vehicle Leasing [necessary for the success of the project]
- Construction work [to prepare premises for project delivery]
- Fixtures and fittings

Revenue

- Salaries, NI pensions and other associated costs
- Recruitment
- Attributable administration and running costs
- Premises costs (rent, rates, heating, lighting etc)
- Financial costs e.g. insurance but excluding bank interest and bank charges
- Travel and subsistence
- Promotional material e.g. advertising, publicity, education
- Volunteer expenses

Organisations registered for VAT may be able to claim back the VAT element on those costs. Each organisation must have regard to their own VAT status. Where VAT cannot be claimed back these costs should be included within the project budget.

What monitoring of projects will be undertaken?

Each project will be required to set SMART objectives (Specific, Measurable, Achievable, Realistic, Time-bound). Each project must submit a progress report when claiming grant outlining its progress against those objectives. EHS must be consulted immediately where a project has, or is expected to, deviate significantly from its targeted outcomes. EHS will discuss with the project's promoters any necessary remedial action.

A formal evaluation of each project will be required at its conclusion.

What is the application process?

Applications under the CWIF will be made directly to EHS as the administrators of the Fund.

All applications will be assessed by EHS.

Funds available under the CWIF are limited. As such, projects eligible under the Fund, must compete for available resources. Each project will be assessed by EHS against its fit with the objectives and criteria of the Fund. Funding will be awarded, in the first instance, to the projects that in the view of EHS and the panel, make the greatest contribution to the objectives of the Fund. The decision of EHS will be final on the award of assistance to individual projects

How will grant be paid?

Claims must be supported by appropriate original evidence of expenditure, and will be vouched by EHS.

Interaction with the EHS

All applications must have capable of having an element of control by the EHS to ensure that EHS can demonstrate value for money. Examples of the controls that EHS would wish to see are:-

- Consultation with, and approval from, EHS relating to any publicity/advertising material;
- Confirmation that permission has been received by other bodies such as schools or council areas for applicants to enter their premises or work in their locality;
- Satisfaction as to the project management skills of promoters;
- Satisfaction that any projects can be inspected at any time;
- Satisfaction that there is no duplication of funding from any other part of Government;
- Open and transparent recruitment process. EHS should be consulted regarding the recruitment process and must be provided with applicant CVs prior to appointment.

The above list is not exhaustive and applicants should be aware that the EHS will insert specific clauses into any Letter of Offer that allows the EHS to be content that it can exercise a sufficient degree of control over any funding arrangements.