



Zero Waste Scotland

PLASTICS CAPITAL GRANT PROGRAMME

PROGRAMME NO SPP001

February 2010

Guidance Document

Executive summary

This document provides guidance and advice on how to make your application for a capital grant under the Zero Waste Scotland Plastics Capital Grant Programme SPP001. You should read this document carefully as it explains how to make your application and the selection process used. It is important that you provide the information as set out in this document or your application may be deemed non-compliant.

Aim of the Programme

As part of its Zero Waste Strategy, the Scottish Government has identified a need to stimulate investment in additional capacity to:

- Reduce the tonnages of plastics waste arisings going to landfill in Scotland;
- Increase the quantity of post-consumer plastics sorted and reprocessed back into useable feedstock for other plastic packaging and projects in Scotland;
- Promote projects which will displace the use of virgin plastics in the manufacturing processing of plastic based products by adding or increasing the plastics recycled content.

To support this aim, Zero Waste Scotland is launching a £5 million capital grant programme on behalf of the Scottish Government to develop plastics reprocessing infrastructure in Scotland.

Purpose of the fund

The purpose of this capital grant programme is to provide financial assistance towards a facility (or facilities) in Scotland that will be capable of sorting, recycling and reprocessing a range of plastics waste arisings. Zero Waste Scotland can fund up to 30% of the total eligible capital costs of the project which could include infrastructure like buildings, hard standing, access roads and purchasing plant and equipment.

It is expected that the total diversion from landfill as a result of the overall intervention will be a minimum of 20,000 tonnes per annum additional to any existing throughputs of plastics waste arisings.

Preference will be given to those projects which take in a range of plastics and which offer higher added value outputs, either through effective sorting of materials, and/or by washing and reprocessing the plastics or manufacture of plastic based final or intermediate products which add or increase recycled content, thereby displacing the use of virgin plastics. Please refer to the scope as shown below to ensure that your project will be eligible.

Applications which mainly propose the incineration of plastic waste arisings and waste to energy projects including the use of plastics as fuels will NOT be considered for grant funding under this scheme.

Allocation of funds

The Scottish Government has a total budget in the region of £5 million for this programme and projects will be selected for capital grants through a competitive process with applications evaluated against the criteria published in this document and against each other. Zero Waste Scotland will convene a panel which includes industry experts who will carry out the assessment using the criteria as set out in this document. The panel will make its recommendations to Zero Waste Scotland who may then appoint a preferred bidder and start contract negotiations, having taken the panel's recommendations into consideration. (Please note that Zero Waste Scotland reserves the right not to enter into any contractual arrangement with any of the applicants - please refer to section 5.11.) All assistance is subject to contract and paid in instalments at agreed milestones.

Scope and Requirements

To be eligible to apply for a grant your project must meet **all of the following requirements** or your application will be deemed non compliant and rejected on that basis:

- The grant applied for must be a capital investment (operating costs are not eligible for a grant) to establish one or more facilities in Scotland that can, as a minimum, segregate plastics waste arisings (plastic bottles and / or plastics packaging) and preferably sort by polymer type the resulting material. Applications to give Materials Recovery Facilities (MRFs) a plastics packaging segregation and/or separation capability will also be considered. Applications would be more favourably considered that include further downstream reprocessing such as washing, grinding and melt process of at least one of the sorted streams;

- Your inputs must include plastic waste arisings sourced from the Scottish household waste stream (ie bottles and plastics) which would otherwise go to landfill, although waste arisings from other sources ie commercial & industrial, agricultural, can be included;
- The technology proposed must be proven;
- Your project must be installed and fully operational by 31 December 2013;
- Your project must be located in Scotland;
- You must be able to demonstrate that there is a need locally for the facility (for example where there are currently no similar facilities) and that it does not displace existing capacity;
- You must be able to demonstrate that the project viability is dependent on Scottish Government grant funding;
- Your project must be commercially sustainable in the medium and long term and result in an auditable, additional (to any current activity) annual output for a minimum of 5 years from the date of operation; and
- You must demonstrate clearly defined and where possible, secured end markets for the output of the project.

Please note the useful *Tips* provided in subsequent sections and also that capital grants are not applicable for Research & Development (R&D) projects.

Timings

The deadline for applications is **1:30pm Monday 30 August 2010**. Presentations will be made by applicants to the Panel on **Wednesday 6 October 2010**.

Zero Waste Scotland aims to inform applicants of the outcome of the assessment process by **Friday 15 October 2010**.

Final contracts must be signed by **28 February 2011**.

The outcome of the capital investment must be operational by **31 December 2013**.

Further information

If you have any questions about the programme, whether your project will fit, how to apply or what to include in your proposal you can contact Sarah Burns, Grants & Compliance Officer, confidentially by e-mail (sarah.burns@wrap.org.uk) or by telephone (01295 819652).

Seminar

We aim to hold a seminar in Stirling on 21 April 2010 where further information will be available and the opportunity to discuss on a confidential one to one basis whether or not your project fits the scope of the programme. For full details please contact

Tania Smyth on 01786 468890, email tania.smyth@wrap.org.uk

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Section 1: Introduction and background

- 1.1 This document provides guidance and advice on the scope and parameters of the projects for which Zero Waste Scotland hopes to provide grant funding. It sets out how to make your application and the process for doing so.
- 1.2 The Scottish Government has a commitment to increase the recycling of plastics (bottles and packaging), in particular from the Scottish household waste stream as part of its Zero Waste Strategy.
- 1.3 The Plastics Capital Grant Programme is being managed on behalf of the Scottish Government by Zero Waste Scotland.
- 1.4 Zero Waste Scotland is the Scottish Government's Zero Waste delivery programme. The programme is delivered by WRAP (Waste and Resources Action Programme). For the purposes of this Capital Grant Programme, all contractual, legal and financial undertakings will be with WRAP, which is the corporate and legal entity. However, delivery of this programme will be branded as Zero Waste Scotland.

More information on the Zero Waste Scotland programme can be found at: www.wrap.org.uk

Section 2: Scope

2.1 What is the scheme aiming to do?

As part of its Zero Waste Strategy, the Scottish Government has identified a need to stimulate investment in additional capacity to:

- Reduce the tonnages of plastics waste arisings going to landfill in Scotland;
- Increase the quantity of post-consumer plastics sorted and reprocessed back into useable feedstock for other plastic bottles and packaging in Scotland;
- Promote projects which will displace the use of virgin plastics in the manufacturing processing of plastic based products by adding or increasing the plastics recycled content.

To support this aim, Zero Waste Scotland is launching a £5 million capital grant programme on behalf of the Scottish Government to develop plastics reprocessing infrastructure in Scotland.

Zero Waste Scotland can fund up to 30% of the total eligible capital costs of the project which could include infrastructure like buildings, hard standing, access roads and purchasing plant and equipment.

2.2 Requirements & scope of projects

To be eligible to apply for a grant your project must meet all of the following requirements or your application will be deemed non compliant and rejected on that basis:

- The grant applied for must be a capital investment (operating costs are not eligible for a grant) to establish one or more facilities in Scotland that can, as a minimum, segregate plastics waste arisings (plastic bottles and / or plastics packaging) and preferably sort by polymer type. Applications to give Materials Recovery Facilities (MRFs) a plastics packaging segregation and/or separation capability will also be considered. Applications would be more favourably considered that include further downstream reprocessing such as washing, grinding and melt process of at least one of the sorted streams;
- Your inputs must include plastic waste arisings sourced from the Scottish household waste stream (ie bottles and plastics) which would otherwise go to landfill, although waste arisings from other sources ie commercial & industrial, agricultural, can be included;
- The technology proposed must be proven;
- Your project must be installed and fully operational by 31 December 2013;
- Your project must be located in Scotland;
- You must be able to demonstrate that there is a need locally for the facility (for example where there are currently no similar facilities) and that it does not displace existing capacity;
- You must be able to demonstrate that the project viability is dependent on Scottish Government grant funding;
- Your project must be commercially sustainable in the medium and long term and result in an auditable, additional (to any current activity) annual output for a minimum of 5 years from the date of operation; and
- You must demonstrate clearly defined and where possible, secured end markets for the output of the project.

Please note that capital grants are not applicable for Research & Development (R&D) projects.

Note: Your project will need to meet all of these requirements before it will be assessed against the evaluation criteria.

Zero Waste Scotland encourages applications that use recycled materials in the construction of facilities.

2.3 Who can apply?

There is no restriction on the type or size of organisation that may apply for this fund providing the project is able to meet the scope and requirements as set out in this document. You will, however,

need to ensure that your proposal will meet the scope of this programme as detailed above.

2.4 **How does eEquip (WRAP's residual guarantee leasing scheme) interface with a capital grant?**

You cannot participate in the eEquip residual guarantee leasing scheme for the same piece of equipment for which capital grant funding has been provided. You can however purchase other equipment for the same project so long as the cumulative State Aid intensity of using the combined support from the capital grant and eEquip does not exceed 30% of the total eligible capital costs of the project.

2.5 **How much money is available?**

The Scottish Government has a total budget of approximately £5 million for the Scotland Plastics Capital Grant Programme.

The European Union specifies limits on the amount of funding that can be offered to projects which may vary dependent on the company size and location within Scotland. **The maximum support that Zero Waste Scotland will offer to applicants for this programme is up to 30% of the total eligible capital costs of the project.**

Eligible costs are those that relate to investment in tangible assets, generally described as buildings and associated infrastructure, machinery or equipment purchased (excluding items which are needed to meet mandatory environmental standards) specifically to achieve the aims and outputs as specified in this document. For example, project costs associated with operating and licensing a facility are **not** eligible for funding. However, any costs associated with the purchase of technology licensing required to operate essential equipment are eligible for funding.

Any net operating benefits¹ over the first five years from the date of the facility's operation have to be deducted from the eligible costs. *Further details about how to identify and calculate eligible costs are given as Appendix 1 (Determination of Eligible Costs).*

You should identify and explain the amount of grant required for your project (in Pounds Sterling and as a percentage of the total eligible capital costs of the project) and it is important that you provide a full explanation and breakdown of *all* the associated costs.

2.6 **How does Zero Waste Scotland select the projects that receive grant funding?**

Projects will be awarded a grant through a competitive process with all eligible applications evaluated by an assessment panel who will appraise each application against the evaluation criteria (see Section 4) and against each other. Applications that fit the scope and that most strongly meet the evaluation criteria will be selected for grant funding. The panel includes representatives of Zero Waste Scotland together with independent individuals or organisations² with industry relevant expertise as selected by the Scottish Government.

Applications will also be reviewed by independent assessors to consider and report to the evaluation panel their assessment of financial, environmental, Health & Safety (H&S) robustness and the planning status of proposed projects. Successful projects will be subject to an environmental and H&S audit/evaluation on site.

2.7 **How will funding be available?**

Applicants who are selected for funding will be required to sign a contract. The contract will specify (as a minimum) the agreed type and amounts (annually for the first five years from the date of operation) of input and output materials for the facility or project, the project assets, project milestones and

¹ The term 'net operating benefits' does not equate to gross profit. Naturally, as an applicant you should be aiming to make your project profitable, especially in the long term. However, in order to comply with State Aid Regulations you are required to deduct any applicable net operating benefits – ie ancillary benefits that occur naturally as a result of undertaking your funded project. Such operating benefits, which should be netted off against increased costs, could include increased revenues and avoided costs; for example, reduced energy consumption, reduced payroll/employment costs, reduced transport charges, reduced raw material costs and reduced waste disposal costs.

² Assessment Panel members will be bound by confidentiality agreements and contracts with Zero Waste Scotland (WRAP).

timescales. A sample contract is available to download from the WRAP website at www.wrap.org.uk under the "Funding" section and applicants are advised to read this.

Zero Waste Scotland would expect to have a signed contract in place no later than **Monday 28 February 2011**. Should there be a delay beyond this date in concluding contract negotiations and signing the contract, Zero Waste Scotland reserves the right to withdraw grant funding.

Funding is paid subject to a signed contract as instalments at agreed milestones to match the project spend profile during the build phase of a project.

2.8 Example projects

Shown below are *some examples* (this is not an exhaustive list) of the types of projects Zero Waste Scotland would consider providing grants for:

- The grant applied for must be a capital investment (operating costs are not eligible for a grant) to establish one or more facilities in Scotland that can, as a minimum, segregate plastics packaging waste and preferably sort by polymer type. Applications would be welcomed that include further downstream reprocessing such as washing, grinding and melt process of at least one of the sorted streams. Grants can be awarded for equipment, plant and infrastructure for the sorting, washing and reprocessing of plastics and / or plastic bottles for clearly defined end markets/customers. Sorting may be by polymer or colour, removing all contaminants. Applications to give MRFs a plastics packaging segregation and/or separation capability will also be considered.

Examples of capital items include but are not limited to:

- Screens;
 - Over-band magnets and eddy current separators;
 - Whole item or flake sorters e.g. ballistic/drum separation, laser/density sorters;
 - Polymer washing and cleaning facilities;
 - Dryers;
 - Buildings to house equipment;
 - Compactors, balers and shredders;
 - Bulking areas; and
 - Materials handling or bagging equipment.
- Plastic waste may include (but it not limited to) plastics and / or plastic bottles in the form of polyethylene, polypropylene, PVC, PET, WEEE plastic arisings that would otherwise go to landfill, which must include inputs from the Scottish household waste stream.

Please note these are examples only and the list is not exhaustive.

2.9 How can you get more information and help?

If you have any questions about Zero Waste Scotland's capital grant programme, whether your project will fit the scope, how to apply, what to include in your proposal or whether other services might be available to your business you can contact Sarah Burns, Grants & Compliance Officer, confidentially by e-mail (sarah.burns@wrap.org.uk) or by telephone (01295 819652).

Seminar

We aim to hold a seminar in Stirling on 21 April 2010 where further information will be available and the opportunity to discuss on a confidential one to one basis whether or not your project fits the scope of the programme. For full details please contact Tania Smyth on 01786 468890, email tania.smyth@wrap.org.uk

2.10 When will you know if you have been successful and when would your project need to begin?

Zero Waste Scotland hopes to inform all applicants of the outcome of the assessment process by Friday 15 October 2010 and progress to a signed contract with successful applicant(s) as swiftly as possible and by no later than Monday 29 February 2011. You will need to thoroughly plan and provide a

detailed programme of work in your application, describing tasks and milestones with timescales to meet the operational date so you are in a position to progress as soon as a signed contract is in place.

Your project will need to be installed and fully operational by 31 December 2013.

Zero Waste Scotland reserves the right to invite applicants to present their proposals where further clarification is required before a final decision to fund can be made by the panel assessors.

2.11 **Monitoring of funded projects**

A Project Monitor with relevant experience and expertise will be appointed to verify progress of the project(s) and its compliance against the contractual requirements. The Project Monitor will audit actual project spend and report on progress to Zero Waste Scotland during the build phase and annually thereafter to monitor achievement against contractual tonnage targets over the first five years from the date of operation.

2.12 **Project Guarantors**

Zero Waste Scotland needs to ensure that the capital funding awarded to successful applicants is spent wisely and for the purposes which have been agreed in the contract. A guarantor forms part of the contract and in the event of a default on contract where grant funding needs to be recovered and the recipient is unable to pay, the guarantor mechanism would provide indemnity to cover the full value of the grant that has been paid.

A guarantor is *essential* to the process and can take one of the following forms (in order of Zero Waste Scotland's preference):

- parent or holding company;
- bank bond for the full grant over each of the 5 years of the contract period; or
- Zero Waste Scotland (WRAP) taking first charge of Assets.

At the application stage, **you need only to identify the type of guarantor** you plan to use should your application be successful and why this would be the most appropriate. However, if your application is successful, you will be required to progress, confirm and provide the guarantor details as quickly as possible as it forms part of the contract. **Zero Waste Scotland cannot consider guarantees from the organisation submitting the application.**

Section 3: Evaluation criteria

3.1 The process which Zero Waste Scotland uses to select successful applicants is a competitive one. The assessment panel³ will make their decisions based only on the information presented in your application, and those applications that fully meet the scope and most strongly meet the evaluation criteria will be selected for funding.

Proposals that do not fit with the scope & requirements (see Section 2.5) may be rejected by Zero Waste Scotland on the basis of non-compliance.⁴

3.2 Your application will be evaluated against the following criteria, with overall value for money being the most important.

3.2.1 **Overall value for money offered**

This is determined by:

- the applicant's performance overall against criteria below; and
- the extent to which the project will increase the overall diversion from landfill of plastic packaging and / or plastic bottles;
- the proportion of inputs from the household waste stream in Scotland; and
- demonstrating the use of appropriate and proven technologies.

3.2.2 **Financial robustness of the proposal,**

This is determined by:

- the overall financial sustainability of the project;
- demonstration that the viability of the total investment in the facility is dependent on the grant provided by Zero Waste Scotland;
- the applicant's arrangements for financing the project;
- the strength of the applicant's guarantor arrangements; and
- the financial standing of the applicant and the proposed guarantor.

3.2.3 **Quality of the design of the project facility**

This is determined by:

- the proposals for project facility layout, justification for the size and scale of the operation and the quality of operational plans;
- the appropriateness of the overall design and the technologies proposed;
- the improved efficiency of the proposed process (above common UK levels); and
- the degree to which established technology underpins the design.

3.2.4 **Quality of arrangements for marketing and the use of the facility outputs**

This should include consideration of:

- the security and credibility of the projected sales;
- the product range and quality; and
- the strength of the overall marketing plans.

³ All Assessment Panel members are contracted by Zero Waste Scotland (WRAP) to maintain confidentiality and to ensure no conflict of interest occurs.

⁴ In accordance with The Public Contracts Regulations 2006 (SI 2006 No. 5), Zero Waste Scotland reserves the right to exclude from the application process any applicant who fails to meet fundamental eligibility requirements, including but not limited to, those requirements relating to financial standing and misrepresentation of information.

3.2.5 Quality of arrangements for sourcing the input material

This should include consideration of:

- the extent to which the facility inputs will be sourced from plastics waste arisings (bottles and / or packaging) from the Scottish household. (Greater use of Scottish sourced plastics waste arisings will result in a higher assessment score);
- the security and reliability of supply;
- the arrangements for securing any new supply sources;
- the quality and robustness of arrangements for securing long term (ie. minimum of 3-5 years) contracts for the input material supply;
- the range of plastics packaging to be processed (ie bottles and / or packaging); and
- the quality of the material sourced.

3.2.7 Applicant's ability to deliver the project

This is determined by:

- the technical and operational track record of the applicant;
- the authority levels of allocated personnel, their skills and associated technical capability;
- the robustness and confidence in meeting the proposed build timescales (including planning and licensing) and to be operational by 31 December 2013; and
- the strength of the operational plans for the project.

3.2.8 Corporate environmental commitment & overall environmental impact of the new facility

This is determined by:

- the extent to which the facility will be run in accordance with best environmental practice and the quality of any mitigation plans; and
- the performance record on sites of a similar nature (where available).

3.2.9 Corporate commitment to Health & Safety (H&S)

This will include consideration of:

- the extent of the H&S provision in the planning of the infrastructure developments; and
- for existing organisations, the applicant's H&S management systems and the applicant's H&S record over the last 5 years.

Section 4: How to apply

To make an application, you will need to provide a written proposal for your project using the headings and structure as described in this section. It is important that your proposal covers every aspect of your project in detail, demonstrating that it meets the scope and requirements stated in this document and highlighting its strengths against the evaluation criteria stated in Section 3. It is important that you provide as much detailed information as possible and you should assume the Panel have no prior knowledge of your organisation.

Your application must be limited to a **maximum of 25 x A4 pages (double-sided) excluding appendices** and written in English. All project proposals and applications will be treated on a confidential basis by Zero Waste Scotland and its advisers, subject to the provisions of the Freedom of Information Act 2000.

Proposals that do not fit with the scope detailed within this document will not be considered for grant funding by Zero Waste Scotland and will be rejected on this basis.

You will need to structure your proposal into five separate sections preceded by an executive summary as follows:

Executive summary

Section 1	Project Description
Section 2	Project Management Information
Section 3	Organisation Information
Section 4	Financial Information
Section 5	Environmental Information

You may add appendices as appropriate to support your application (the following sections indicate where they may be required as a guide only). We have included a checklist for applicants as Appendix V to help you provide the supporting information required.

4.1 AN EXECUTIVE SUMMARY

4.1.1 As the first page you should provide an executive summary of no more than one side of A4 in length which should include the following information:

- the name of the organisation submitting the application;
- the name of the nominated contact person within the applicant's organisation;
- contact details including: address, telephone number, fax number and e-mail address.

4.1.2 An outline or overview of the proposed project to include:

- the types and sources of inputs to the facility (showing the % split of the overall inputs); (ie what types of waste plastics arisings (ie bottles and / or packaging), how will you collect, segregate or process them and where will you source them from. Note: Inputs MUST include plastics (bottles and / or packaging) arisings from the household waste stream in Scotland);
- the types of output(s) of the project / facility;
- the markets, products or customers the project will supply for all identified materials.

4.1.3 The planning consent status of the project and the timescale for this being granted;

4.1.4 The project build start and end dates;

4.1.5 The location in Scotland along with a postcode and 6-figure grid reference of the proposed project site(s);

- 4.1.6 Whether or not your organisation is VAT registered;
- 4.1.7 The capital costs associated with your project (**showing net, VAT and total**);
- the **total eligible capital** cost of the proposed project in pounds Sterling; and
 - the **total amount of grant** you are requesting from shown in both in Pounds Sterling and as a percentage of the total eligible capital cost of the facility.
- 4.1.8 The Tonnages for;
- **each** of the types of **outputs** from your facility per annum for the first 5 years from the date of operation, in tonnes;
 - **each** of the types of **inputs** (including the sources ie. household, C&I, etc.) to your facility per annum for the first 5 years from the date of operation, in tonnes.

You may want to present tonnage information in a table format, Appendix II provides an example.

- 4.1.9 The additional gross revenue or gross income resulting directly from the project as a result of the grant. This should include incremental tonnage sales values (ie for outputs), additional income (ie for gate fees), etc.

Tip: When putting together your application you may find it helpful to write the executive summary last – please check that the information in your executive summary is accurate and matches the detail provided elsewhere in your proposal. The assessment panel members will only have your application to make their evaluation against and you should assume the panel have no knowledge of your organisation or project.

4.2 SECTION 1 – PROJECT DESCRIPTION

4.2.1 Facility overview

You should:

- include a location map of the proposed facility and a schematic layout of the proposed project site showing the location of key items of equipment and infrastructure;
- detail the technology and, where applicable, processing equipment which the facility will use, listing all the capital items for which you seek a grant and include details of key plant and equipment suppliers, with copies of quotes, where available.
- provide details to demonstrate that the technology proposed has a proven track record. (For example, operating data and locations of similar facilities may help to demonstrate that your chosen technology is commercially and technically viable and proven.)
- describe each process stage and the controls you intend to implement and explain how you will ensure the output from the proposed facility is fit for its application (for example, you should describe any Quality Assurance management systems that you already use or plan to use).

Note: *You should ensure that all plans, drawings and maps are clear, legible and detail as much information as possible (with dimensions indicated and/or a scale if possible). Maps should show a North marker.*

4.2.2 Planning and Licensing

Where consents and licences for your facility have not yet been granted, you should give details of the licences and permissions required (for example, planning and waste management licences) and the timetable to obtain them.

Where you do have licences and consents, you should provide:

- copies of all relevant planning permissions, waste management licences and any other consents obtained regarding the project; and
- details of any permission or licence exemptions, where relevant.

Note: *You should remember to include the timescales associated with planning and licensing in your project plan / milestone table (see 4.3.1).*

4.2.3 **Input material sourcing**

You should:

- provide details of the proposed arrangements for the material input to your project, including the source and nature of the material input and quality;
For example, who are the likely suppliers of inputs to your project and what stage you have reached with securing that supply. This can be demonstrated by initial contract negotiations, letters of intent to supply, etc;
- identify any existing recycling capacity in the locality of your proposed facility to demonstrate that your project will not displace existing capacity.

4.2.4 **Outputs & end markets**

You should:

- include full details of each of the proposed end-market(s) for the output(s)/product(s) of the facility, together with marketing plans. For example, who are the likely customers of your end products which can be supported by detailing any initial contract negotiations, letters of intent, etc;
- include the proposed selling price of each of your outputs or product(s) stating any assumptions made;
- provide quantity estimates for each output (stating clearly your unit measurement ie tonnage).

4.2.5 **Value for money statement**

4.2.5.1 Please provide the following information on inputs/outputs:

For **each** of the first five years' from the date of operation of the facility:

- the type(s) and source(s) of each of the **inputs**;
- the approximate annual tonnage of the **inputs**, clearly stating the quantity of new / additional tonnage to the existing operation;
- the exact nature of each of the **outputs** identifying where there is any waste for disposal to landfill;
- the annual tonnages of each of the **outputs**; and
- the estimated sale value(s) (£/tonne) of each of the **outputs** with an estimate of the profit margin.

All assumptions made should be clearly stated.

Please note that tonnages will be monitored by Zero Waste Scotland should your application be successful and tonnage obligations would be included as part of the contract. Zero Waste Scotland would anticipate a ramp-up over the first five years from the date of operation of the facility and any tonnage increase year on year should be fully explained in your proposal.

Tip: *To present the above information it may be helpful to provide a table as an appendix. Appendix II provides an example. Please note that the Input/Output Table should only show the **additional** tonnages resulting from the project you are proposing and **should not** incorporate any current capacity or activity.*

4.2.5.2 Please provide a £ per tonne statement based on:

- **the total amount** £ of grant requested;
- **the total tonnage of inputs** (additional to *any existing activity*) for the first 5 years after the date of operation.
- The £ /tonne calculation which is the £ amount of grant requested divided by the total additional input tonnage.

For example, if £300,000 grant is requested with total additional inputs of 150,000 tonnes over 5 years, this would equate to £2/tonne.

4.3 SECTION 2 – PROJECT MANAGEMENT INFORMATION

Please provide the following information:

4.3.1 A milestone timetable / project plan

You should provide an anticipated timetable, identifying the key tasks and milestones and the projected timescales (start and finish dates) for each.

This plan will need to explain what you are going to do and when, **accounting for planning and licensing** issues (where consents have not been granted you should give details of consents required and the timetable to obtain them). If you are **securing the use of a site** you should include timescales for finalising any leasehold or purchase agreements.

In addition, your project plan should also cover (as a minimum):

- practical build completion, including the ordering, delivery, commissioning and operation of plant and equipment and installation of infrastructure as appropriate;
- anticipated supply contracts for input and output materials and when these might come on stream;
- initial processing throughput; and
- processing at full capacity.

Tip: *A Gantt chart or table and a critical path analysis might be helpful to present this information. You should also consider in your plan that some tasks may be linked and time dependent, for example completing planning or completion of civil engineering work before erecting a building.*

4.3.2 A description of the project team who will manage and deliver the project. This should include a list of individuals, their respective roles within the organisation and their skills and experience including any professional qualifications relevant to your project. You should include copies of key team members' CVs in an appendix.

4.3.3 Health and Safety (H&S)

- you should provide a brief description of proposed Health and Safety plans for the project.
- for existing organisations, you should provide a current H&S policy statement in the appendices together with the names, titles and qualifications of the person or persons who act as your organisation's competent Health and Safety advisor(s).
- for existing organisations, you should provide a record of site accidents for the last 5 years across their organisation and its sites. In addition, please provide details of any prosecution(s) or caution(s) in respect of violations of Health and Safety legislation and regulations that your organisation has received in the last five years. (In both cases, if this is none, then please state none.)

4.3.4 A list of the elements of your project which will be contracted should be provided, naming any contractors you anticipate to employ where known, (for example, for the groundworks or construction work) and any consultants that you wish to employ (for example, to provide technical or project management expertise) and identify the roles they will play in delivering the project.

4.3.5 Evidence of a track record of undertaking projects of a similar nature (size and scale) to that described in this document.

Tip: *If your organisation is new or a start up venture, you could identify the relevant experience of the key team members if the organisation does not have any operational record. This section is an opportunity to demonstrate that you have thorough plans and are able to deliver the project.*

4.3.6 Quality assurance (QA)

Please provide details of any quality assurance scheme or management system which you may have in place or plan to implement in order to manage and deliver your project and ensure quality of outputs once the facility is operational.

4.4 SECTION 3 – ORGANISATIONAL INFORMATION

Please provide the following information:

4.4.1 **Registered Addresses.** Details of the registered office address and company number for (a) the applicant and (b) the project guarantor.

4.4.2 **Status, structure and ownership details of your organisation** including shareholder details and shareholding value, where applicable and where the application is from a Joint Venture (JV), details of all members of the JV.

4.4.3 **Board Approvals.**

Confirmation that all necessary board or parent company approvals have been obtained to enable the project to proceed. This should be in the form of a Board minute agreeing to the project proposal and signed on behalf of the applicant and the guarantor (where a parent company guarantor is proposed).

4.4.4 **Insurance details of your organisation, including:**

- broker name, address, telephone and fax numbers;
- contract works, employer's liability, public and products liability insurance cover, including renewal dates. (A top copy of your insurance certificates should be provided where available.)

4.4.5 **Site Ownership**

You should identify the current ownership of your proposed site and the extent to which you have secured the site, providing evidence where possible.

If you have already secured the site, a signed letter from your organisation's company secretary (or equivalent) stating that your organisation owns or controls the existing site and, where appropriate, the existing plant / equipment. If the site is part-owned, leased or controlled then a letter should also be included from the other relevant parties confirming that the project can proceed.

If your project is using mobile processing equipment that will move between sites / project locations, you should identify the location and status of each site.

Note: *If your organisation is yet to secure the site, you should identify the timescale to do so within your project plan / milestone table (4.3.1).*

4.4.6 **Previous grant funding**

Please provide details of any form of previous State Aid funding received by your organisation for the proposed site and/or this project, stating the type, amount and the source of grant funding. You should also include any de minimis funding that your organisation has received over the last 3 years.

Please use the form shown as Appendix III which must be completed and returned together with your application.

4.4.7 **Identification of your Project Guarantor**

At application stage, you need to identify the type of guarantor you would use and explain why this would be the most appropriate to your project. You should provide evidence of discussions or a letter of support from the chosen guarantor.

Note: *For information about Project Guarantors please refer to section 2.11.*

4.5 SECTION 4 – FINANCIAL INFORMATION

In order to comply with the EU rules governing the provision of State Aid, applicants must clearly demonstrate that the project would not be viable without the funding. You should be able to demonstrate that the amount of support requested is just enough to make the project viable. Please refer to Appendix IV for further

guidance on completing all the financial sections of your applications and for completing the financial spreadsheets that are downloadable alongside this document. **These templates must be completed and returned with your application.**

Applicants should provide the following information:

4.5.1 Identification of VAT (Value Added Tax) registration

You must state whether your organisation is VAT registered or not.

Note: *Since VAT can ordinarily be claimed back on capital expenditure, the value of the grant excludes VAT. Zero Waste Scotland will only make an exception to this if your organisation is not VAT registered and is unable to claim back the VAT.*

4.5.2 Capital Cost Breakdown

Applicants should provide a fully itemised cost breakdown, **both with and without** VAT of total capital costs in pounds Sterling, including and highlighting buildings and associated infrastructure, machinery and equipment. Please fully justify the costs, particularly where these exceed market rates. The breakdown should also clearly identify the total amount of funding requested in pounds sterling and as percentage of the total eligible capital costs of the project. Applicants should include their calculation of eligible costs in accordance with the EU rules governing the provision of State Aid (public money used to support private businesses). Please refer to Appendix I – Determination of Eligible Costs.

4.5.3 Viability of Investment

It is essential to provide evidence to demonstrate that the viability of the total investment in the project or facility is dependent on the capital grant awarded. This requires financial performance information for the facility or project:

- Showing returns on investment without the grant; and
- Showing returns on investment with the grant.

You will need to demonstrate returns on investment by populating the relevant financial template that can be found on the WRAP website alongside this Guidance Document at www.wrap.org.uk. **It is a mandatory requirement of the application process to complete this and return it with your submission.** You may supplement the spreadsheet with additional financial information as appendices if you wish.

The standard requirement for this programme is the 10 year model. Please refer to Appendix IV for further details and examples.

The information provided must include Payback, Net Present Value and Internal Rate of Return for the project with and without the funding. **You must clearly state and explain all your assumptions**, in particular you must state your hurdle rate or required rate of return and give an explanation / justification of how you arrived at it.

Projects that are financially viable without funding will be deemed non-compliant and will be rejected. The level of funding requested should only correspond to the amount required to bring the project into viability. All financial statements will be independently evaluated by a financial assessor.

Note: *What is a Hurdle rate?*

A Hurdle rate or your required internal rate of return is the figure that above which an investment makes financial sense and below which, does not. In budgeting for capital projects or expenditures, the rate of return must be exceeded to make the investment viable. Often, this figure is based on an individual company's cost of capital or weighted average cost of capital, plus or minus a risk premium to reflect the project's specific risk characteristics. You may want to supplement the financial evidence with a brief written statement on the need for the grant.

4.5.4 **Audited accounts**

The following or equivalent evidence of financial standing is required a) for your organisation, b) for each member of a Group or JV and c) for the proposed guarantor:

- audited accounts or equivalent for the previous three years' trading
- a statement of any material pending or threatened litigation or other legal proceedings
- similar information is required in relation to the ultimate holding company of any applicant or member of a group or JV which is a subsidiary company.

Note: *If your business is a new start up venture, you should state this and provide any accounts to date that you have.*

4.5.5 **Project financing**

You need to detail how you will finance the project (outside of the anticipated contribution from Zero Waste Scotland), stating the amounts and sources of co-funding. Please provide an outline timetable of the key steps you will take to secure the finance necessary for the project to go ahead and provide evidence of this.

You should provide a simple cash flow statement for the period of construction which should include a spend profile of your project (ie on placement of orders, delivery, commissioning).

Where the facility or project is to be **financed from internal resources**, you should indicate:

- the amount of finance needed;
- the expected sources of that finance (and amounts from each);
- any conditions that are required for such funding to be made available; and
- evidence in the form of board minutes or Capital Expenditure forms/authorisation.

Where the facility or project is to be **financed from external resources**, you should provide a plan of finance to include:

- the full proposed financial structure, including descriptions of all key parties to the transaction, amounts and their roles;
- amount, type and expected sources of external finance for example, any new equity, debt and other finance;
- any pledge of or charge against new or existing assets and/or revenues;
- any expected funding or credit enhancement from other group entities/parent companies.

Note: *You are also required to show your project financing proposals including any co-funding arrangements on Form Appendix III which must be returned with your application.*

4.6 **SECTION 5 – ENVIRONMENTAL INFORMATION**

Please provide the following information:

4.6.1 **A Copy of your Environmental Policy** and evidence of any accredited Environmental Management Systems (EMS).

4.6.2 **Environmental Impact Statement**

A brief risk assessment of the overall environmental impact of the facility for both the construction and operational phases of the project. You should consider the environmental impacts associated with transport of materials to and from the facility, use of non-renewable resources, energy use, odour, noise, dust, water quality and waste management.

4.6.3 Mitigation of Environmental Impacts

You should provide plans for the mitigation of the environmental impacts listed in 4.6.2 above, both during construction and operation of the facility. (Consideration should be given to the use of recycled materials in the construction of your facility.)

4.6.4 Environmental Improvements

The assessment panel will consider the extent to which your organisation is committed to environmental improvement across its activities and you should provide details, where appropriate, of environmental management systems in operation at existing sites, and any proposals to implement such systems at the facility.

Note: *Successful projects will be subject to an on-site environmental and health and safety audit / evaluation and these aspects of a project will be monitored for the duration of the contract.*

4.7 APPENDICES

As appendices to your application you should (as a minimum) include:

- **Company registration details** and audited or management accounts for the last three financial years and a statement of any material litigation, pending or threatened, or other legal proceedings for all project partners
- **Company Environmental & Health & Safety Plans and Policy, Site Accident Record**
- **Board minutes**
- **Details of insurance including certificates where available**
- **Copies of planning and licensing permit documents where available and supporting information**
- **Project Plan including timings of activities and an associated spend profile** (this could be presented in the form of a Gantt chart and a critical path analysis)
- **Site layout, site plans and maps**
- **Financial information including Cash Flow Forecasts, Grant Spending Profile and information on financial standing**
- **Site ownership documentation**
- **Licensing/compliance documentation (ie planning consents, WML consents) and copies of certificates where available**
- **Supporting information on feedstock inputs**
- **Signed declarations from technology providers**
- **Curriculum vitae** for key members of the project team.
- **Identification of any Terms and Conditions in the sample contract which you may be unable to meet, together with an explanation of the reasons why.** A sample copy of WRAP's form of Contract is available to download from www.wrap.org.uk under the "Funding" section.

Note: *Please refer to Appendix V – Applicant's Checklist to assist you in providing the required information where available. Wherever you can, you should provide evidence for any statements you make. Please return this form with your application.*

Section 5: Application procedure

- 5.1 The deadline for receipt of applications is **1:30 pm Monday 30 August 2010**.
- 5.2 Your application should be no more than 25 pages of A4 (double sided) excluding appendices.
- 5.3 You *must*⁵ send the following to Zero Waste Scotland by the published deadline;
- **8** paper copies of your application, **including** all appendices and accounts (if possible, on recycled paper) and;
 - **1** electronic copy of your application including appendices and accounts in Word or PDF format on CD-ROM or memory stick, to be included with the hard copy submission. Zero Waste Scotland cannot accept e-mail copies of applications.
- 5.4 Applications and the packaging that contain your application should clearly state the following reference number: **SPP001** together with the words “**Confidential Application**” and **your organisation’s name**.

Applications should be sent to:

Tania Smyth
Zero Waste Scotland
Suite 1b
Hillside House
Laurelhill Business Park
Stirling FK7 9JQ

Telephone: 01786 468890

- 5.5 Applications will not be opened until 1:30pm of the published deadline in a monitored and formal process.

If you have an enquiry or question about this capital grant programme, what should be included in your proposal, the processes used to select projects for capital grants or whether you are eligible to apply, please contact Sarah Burns, Grants & Compliance Officer on 01295 819652 or sarah.burns@wrap.org.uk.

Seminar

We aim to hold a seminar in Stirling on 21 April 2010 where further information will be available and the opportunity to discuss on a confidential one to one basis whether or not your project fits the scope of the programme. For full details please contact Tania Smyth on 01786 468890, email tania.smyth@wrap.org.uk

Application process & timetable

- 5.6 All applications will be competitively assessed against the specified evaluation criteria.
- 5.7 The Assessment Panel will include representatives of Zero Waste Scotland and external organisations and/or organisation representatives with relevant expertise as appropriate. All applications are also independently assessed for their financial and environmental (including Health & Safety considerations) and planning robustness and successful projects will be subject to an environmental audit / evaluation.

⁵ Zero Waste Scotland needs to have 8 paper copies in order to distribute to the Assessment Panel members, so it is important that these are full and complete copies. Zero Waste Scotland reserves the right not to accept applications which do not comply with this application procedure – this includes the provision of the required number of application copies and the need for applications to be with Zero Waste Scotland by the published deadline.

5.8 The target timetable for this programme is as follows⁶;

Deadline for receipt of applications **1:30 pm Monday 30 August 2010**

Presentation by applicants **Wednesday 6 October 2010**
(Only those applicants that are shortlisted will be invited.)

Zero Waste Scotland aims to inform applicants
of the outcome of the assessment process by **Friday 15 October 2010**⁷

Final contracts must be signed by **Monday 28 February 2011**

The project/facility
must be fully operational by **31 December 2013**

5.9 All applicants will receive written notification of the outcome of the evaluation process and Zero Waste Scotland's decision and will be given the opportunity to obtain feedback on their applications.

5.10 After the draft contract has been issued, Zero Waste Scotland would expect to progress to a signed contract as swiftly as possible and by the latest 28 February 2011. If this has not been achieved Zero Waste Scotland reserves the right to withdraw the offer of grant funding. Payment of the grant to the Recipient will also be subject to certain build milestones being met, which will be defined in the funding agreement.

5.11 This information is offered in good faith for the guidance of interested parties, but no warranty or representation is given as to the accuracy or completeness of any of it. Zero Waste Scotland (WRAP) and its advisers shall not be under any liability for any error, mis-statement or omission. No aspect of this procedure shall constitute a contract or part of a contract. Applicants participate in the process on the strict understanding that the procedure may be altered or that Zero Waste Scotland may not proceed for any reason. Zero Waste Scotland (WRAP) reserves the right not to follow up this Guidance Document in any way and in particular not to enter into any contractual arrangement with any of the applicants. Zero Waste Scotland (WRAP) does not bind itself to enter into negotiations or proceed with or accept any application. Any decision to apply is at the sole discretion of the applicant and Zero Waste Scotland (WRAP) excludes all liability in respect of any resultant costs incurred.

5.12 Any contract entered into, as a result of this capital grant programme, shall be subject to proof of insurance, satisfactory to Zero Waste Scotland and generally in accordance with the sample form of funding agreement available from the WRAP website at www.wrap.org.uk.

⁶ This is a TARGET timetable and Zero Waste Scotland reserves the right to change this.

⁷ Zero Waste Scotland's decision is final.

Appendix I - Determination of Eligible Costs

The amount of grant funding Zero Waste Scotland is able to offer to applicants under this programme is governed by rules regarding State Aid. The European Commission requires the following equation to be applied when determining eligible costs, namely:

Eligible Cost = Gross Eligible Costs – (Costs associated with meeting Mandatory Environmental Standards + the Net Operating Benefits over the first five years from the date of operation of the proposed facility)

Gross Eligible costs = the tangible assets identified in your capital cost breakdown (plant, equipment, machinery, buildings & infrastructure) for your project less any allowance for shared equipment.

Mandatory Environmental Standards = any environmental element that has been imposed by condition to meet current environmental regulations, e.g. wheel wash system or leachate treatment lagoon imposed as a planning condition or the need to include dust suppression equipment.

Net Operating Benefits = ancillary benefits that occur naturally as a result of undertaking your funded project. Such operating benefits, which should be netted off against increased costs, could include increased revenues and avoided costs; for example, reduced energy consumption, reduced payroll/employment costs, reduced transport charges, reduced raw material costs and reduced waste disposal costs. The term 'net operating benefits' does not equate to gross profit.

Zero Waste Scotland requires all capital cost items to be used **exclusively** to the benefit of the application project only. Close scrutiny will be undertaken on items that have the potential for non application project use for example mobile plant and weighbridges. Should an element of any equipment be used exclusively outside the application project then that element would not be funded.

Example of Eligible Costs Calculation

A hypothetical example is shown below to assist in determining the funding to be requested. The actual capital cost breakdown in your application should be broken down into more detail than the example below, describing the relevant item of equipment or infrastructure description.

Capital cost element	Amount £
Civil Engineering	£10,000
Fixed Plant	£200,000
Loading Shovel	£100,000
Weighbridge	£20,000
Wheel Wash	£15,000
Total	£345,000

Assuming the loading shovel is only going to be used on the application project for 80% of the time and that the weighbridge will only be utilised 50% of the time by the application project, then Gross Eligible costs become:

Capital cost element	Amount £
Civil Engineering	£10,000
Fixed Plant	£200,000
Loading Shovel	£80,000
Weighbridge	£10,000
Wheel Wash	£15,000
Total	£315,000

If we then assume that the wheel wash is a mandatory environmental standard and that cost benefit over the first five years from the date of operation has been determined by the applicant as £4,000, then the Eligible Cost becomes;

Capital cost element	Amount £
Civil Engineering	£9,000
Fixed Plant	£199,000
Loading Shovel	£79,000
Weighbridge	£9,000
Wheel Wash	£0
Total	£296,000

The capital cost of the wheel wash is shown as £ nil because it is ineligible for grant funding and the £4,000 cost benefit has been split evenly across all items, however you may choose to deduct the cost benefit from one item only.

If, for example, 30% support funding is being requested then the support amount using our hypothetical example would be $£296,000 \times 0.3 = £88,800$

Appendix II – Example of Input / Output Schedule

ADDITIONAL TONNAGE DIRECTLY ASSOCIATED WITH THIS PROJECT (000's)

	Material type	Tonnes processed in current or last full year of operation Baseline (If 0, state 0)	Future Operating Years (please state your additional incremental tonnage figures for each year from the date of operation EXCLUDING any existing baseline tonnages) An example of how to complete this form is shown as Appendix 1					TOTAL ADDITIONAL TONNAGE
			Year 1 tpa	Year 2 tpa	Year 3 tpa	Year 4 tpa	Year 5 tpa	
			Input 1					
Input 2								
Input 3								
Total Input Tonnage								
Output 1								
Output 2								
Output 3								
Output 4								
Output 5								
Total Useable Output Tonnage								
Residual to Landfill 1								
Residual to Landfill 2								
Total Residual to Landfill								

PLEASE NOTE THE ABOVE TONNAGE FIGURES SHOULD ONLY REFLECT THE ADDITIONAL TONNAGES AS A DIRECT RESULT OF THE PROJECT AND NOT INCLUDE ANY EXISTING TONNAGES.

APPENDIX IV MANDATORY FINANCIAL SPREADSHEET PLASTICS CAPITAL PROGRAMME

NB: Projects within Applications should relate to planned INCREMENTAL activity only and NOT to include inputs / resources / funding from existing operations.

Please over type the applicants name in the yellow cell below:

Applicants name : New Co Ltd

On Financial Model Spreadsheet Population, please ensure that:

- Inputs and beneficial output(s) contents conform to Zero Waste Scotland guidance eligibility - please refer to the guidance document for further explanation.
- Gate Fees and product sales unit values/volumes are 'market realisable'. Assumptions should be explained.
- All relevant operating costs are reflected – those provided in the Financial Model spreadsheet(s) are for illustrative purposes only and are NOT exhaustive – populate as required within the other Operating Costs rows.
- Operating costs are expressed at 'current values' – inflationary increases are NOT required.
- The hurdle rate reflects commercial sector norms and realistic timescales. The hurdle rate is the minimum Internal Rate of Return (IRR) that the project must deliver.

- The Net Present Value (NPV) discount rate within the application reflects the forecast 'cost of capital' for the applicant over the life of the project, taking account of borrowing rates and expected equity returns, adjusted as necessary to reflect project risk. All risks should be identified and justified within the application.
- The level of Zero Waste Scotland grant funding requested does NOT exceed 30% of the overall eligible project cost and the source(s) of the NON Zero Waste Scotland grant funding requirement is clearly stated within the application.
- Non eligible capital assets (or an element thereof) and any beneficial outcomes are reflected in the financial model spreadsheet - see guidance document for further explanation.
- The project requires Zero Waste Scotland grant funding to be viable – ie the IRR required over the life of the project is NOT achieved without the Zero Waste Scotland grant as requested. Depreciation is **NOT** Included as an operating cost.
- Any leased assets should be shown as operating, and not capital, costs.

Printing

- To print any individual sheet simply go to File/Print/OK and the sheets are set up to print properly.

NAME OF PROGRAMME

Instructions For Completion:

- 1 This Financial Model Spreadsheet should be used to demonstrate your Application Projections and the In-built formulae will Automatically Calculate the viability of your Project

- 2 Please input Application Forecasts, Assumptions and Discount Rate by overtyping the figures in **Blue**. The figures shown are **Illustrative** - for a Guideline only as to demonstrate how the calculations work. Applicants, therefore, will need to input their Application Projections. The Discount Rate shown is illustrative only and this will vary from project to project. Applicant should therefore enter the **Discount Rate** that is Applicable to their organisation

- 3 Operating Costs are shown as constant over the 10 year period as an illustration. This may not be the case, especially where Applications detail a 'Ramp-up' of operating activity / parameters / volumes year on year

- 4 Figures shown in **Black** contain formulae and these **Cells are Locked**. They will automatically update when Applicants input their Application Projections

- 5 For relevant Capital Expenditure (Infrastructure and/or Plant), Applicants will need to input those items of Capital Expenditure that relate to their specific Project. Illustrative Capital Expenditure items provided are to be used as an Example Only of how to input to the Financial Model Spreadsheet

- 6 **Internal Rate of Return (IRR)** is the Financial Return that Applicant are expecting to make on their Capital Expenditure investment, based on the Operating Cash Flow (Income less Expenditure) that Applicants have Projected.

- 7 **Net Present Value (NPV)** determines whether or not the Project is Cash Generative, if future Cash Inflows are **Discounted** to represent what they would be worth 'Today'.

- 8 Please Note: the Cash Flow Projections must not include any interest or financing costs associated with any capital expenditure, whether to be funded by Zero Waste Scotland or otherwise. Only Incremental Cash Inflows should be included in the Financial Model Spreadsheet, all Historic/Current 'sunk and committed' investment costs or revenues should be omitted

- 9 **Please Note:** Depreciation is a Non-Cash item and therefore should **NOT** be included in Operating Costs

- 10 **Please Note:** Any bank interest costs associated with key assets should **NOT** be included in your financial spreadsheet.

Capital Assets - Outright Purchase Option: 10 year Expected Asset Life Calculation

Please Note: Asset Life Calculations Based on 10 Years should be Principally Infrastructure Based - Not 'Plant'

New Co Ltd

Year	0	1	2	3	4	5	6	7	8	9	10	Total
Base Calculations - without support												
Operating Parameters (tonnes)												
Inputs	7,500	13,500	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
Beneficial Outputs	2,000	4,000	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	
Variable 1 (please specify)	10	10	10	10	10	10	10	10	10	10	10	
Variable 2 (please specify)	5	5	5	5	5	5	5	5	5	5	5	
Unit Income												
Gate Fee	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	
Product Sales	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	
Unit income 1 (please specify)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	
Unit income 2 (please specify)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
Income												
Gate Fee	112,500	202,500	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	1,125,000
Product Sales	15,000	30,000	56,250	56,250	56,250	56,250	56,250	56,250	56,250	56,250	56,250	281,250
Other income 1 (please specify)	20	20	20	20	20	20	20	20	20	20	20	100
Other income 2 (please specify)	5	5	5	5	5	5	5	5	5	5	5	25
												0
	127,525	232,525	281,275	281,275	281,275	281,275	281,275	281,275	281,275	281,275	281,275	1,406,375
Operating Costs (examples)												
Staffing	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	175,000
Rent / Rates	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	5,000
Insurance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	5,000
Marketing	200	200	200	200	200	200	200	200	200	200	200	1,000
Office supplies / equipment	200	200	200	200	200	200	200	200	200	200	200	1,000
Landfill / waste management	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	5,000
Transport	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	15,000
Transport / Plant Fuel	200	200	200	200	200	200	200	200	200	200	200	1,000
Maintenance	0	0	0	0	0	0	0	0	0	0	0	0
Leased equipment	500	500	500	500	500	500	500	500	500	500	500	2,500
Equipment hire	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	25,000
Other operating costs 1 (please specify)	1	1	1	1	1	1	1	1	1	1	1	5
Other operating costs 2 (please specify)	2	2	2	2	2	2	2	2	2	2	2	10
Other operating costs 3 (please specify)	3	3	3	3	3	3	3	3	3	3	3	15
Other operating costs 4 (please specify)	4	4	4	4	4	4	4	4	4	4	4	20
Other operating costs 5 (please specify)	5	5	5	5	5	5	5	5	5	5	5	25
												0
	47,115	47,115	47,115	47,115	47,115	47,115	47,115	47,115	47,115	47,115	47,115	235,575
Operating Cash Flow	80,410	185,410	234,160	234,160	234,160	234,160	234,160	234,160	234,160	234,160	234,160	1,170,800
Capital Expenditure												
Land / buildings												
Land Purchase	100,000											
Foundations and concrete	300,000											
Infrastructure	150,000											
Building A	150,000											
Building B	150,000											
Asset 1	1											
	850,001											
Plant (5-year life)												
Loader	65,000				65,000							
Conveyor system	135,000				135,000							
Picking line	85,000				85,000							
Bagging line	90,000				120,000							
Palletiser	65,000				65,000							
Fork lift	30,000				30,000							
Plant 1	1				1							
	470,001	0	0	0	0	500,001	0	0	0	0	0	0
Net Cash Flow	-1,320,002	80,410	185,410	234,160	234,160	-265,841	234,160	234,160	234,160	234,160	234,160	
Cumulative Cash Flow	-1,320,002	-1,239,592	-1,054,182	-820,022	-585,862	-851,703	-617,543	-383,383	-149,223	84,937	319,097	
10 yr IRR (Internal Rate of Return)	4%											
NPV (Net Present Value)	-371,713	10%	Discount rate									
With Capital Grant Support												
Zero Waste Scotland Capital Support (based on max 30%)												
	30%											
	396,001											
Net Cash Flow	-924,001	80,410	185,410	234,160	234,160	-265,841	234,160	234,160	234,160	234,160	234,160	
Cumulative Cash Flow	-924,001	-843,591	-658,181	-424,021	-189,861	-455,702	-221,542	12,618	246,778	480,938	715,098	
10 yr IRR (Internal Rate of Return)	11%											
NPV	24,287	10%	Discount rate									

Appendix V – Applicant’s Checklist

The Plastics Scotland Guidance Document provides advice as to which documents and supporting information you need to include with your application.

Although you may not have all of these available when you apply, you will need to provide them **all** before you sign the contract. As some of these may take some time for you to obtain, you should start the process as soon as possible.

This checklist is to help you, at the application stage, by making it easier to see what information you already have and what you still need to get. This means that your project can proceed more quickly if you reach contract negotiation stage.

Note: This checklist may not be definitive in every case. For full details of information required please read the Guidance for Applicants document carefully.

Please submit your completed checklist with your application.



Project description

- Projections for the first 5 years from date of operation of the additional input and output tonnages (ie additional to your current baseline tonnage) as a result of the project.
- Estimates for the first 5 years from date of operation of the additional gross income (£) as a result of the project.
- Details of anticipated suppliers of the capital plant and equipment which is to be funded.
- Suppliers’ quotes for all capital items to be funded.
- Details of contractors and consultants you anticipate using on the project.
- Quotes for all contract and consultancy work
- Map showing the location of the proposed facility
- Detailed scale diagram of the layout of the facility

Consents, licences and exemptions which you have already been granted

Applications and supporting documents for consents, licences and exemptions which you have not yet been granted.

Project management information

Project plan detailing key timescales

CVs for the key people in the project team

Health and safety policy statement (if available)

Record of site accidents, and details of prosecutions and cautions (if available)

Organisational information

Board minute agreeing to the project proposal

Insurance documents

Evidence of ownership or tenancy of the site until at least the end of the contract period (ie 5 years from date of operation)

Letter of agreement from site owner for project to proceed

Details of the proposed project guarantor or security (ie parent company, bank bond, including any Board minutes from parent company)

Financial information

- Fully itemised breakdown of all project costs (net, VAT and total), including anticipated spend profile period
- Evidence of your financial standing (ie company accounts)
- Evidence of financial standing for each member of a Group or Joint Venture, including the proposed guarantor (ie company accounts)
- Timetable of key steps to secure project finance
- Confirmation of project co-funding in place
- Declaration of previous State Aid applications or awards (see Appendix V with application pack)

Environmental information

- Environmental policy
- Environmental impact statement
- Plans for mitigation of environmental impacts

Other (Please state any other documents you consider would be useful)

<input type="checkbox"/>	I confirm that I have downloaded and read the terms and conditions of the sample support agreement from the WRAP website.
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