

# West of England Green Business Grants Grant Guidance

## 1.0 Introduction

Green Business Grants can support you in making your business more energy efficient. If eligible, you will be able to apply for cashback of between £1,000-£15,000 to cover 40% of your costs. A total of £1 million is available for organisations based within the West of England.

Green Business Grants are part of the Low Carbon Challenge Fund (LCCF), funded by the [European Regional Development Fund \(ERDF\)](#)<sup>1</sup>. LCCF is managed by the [West of England Combined Authority \(WECA\)](#) and aims to support the shift towards a low carbon economy in all sectors through clean, inclusive growth.



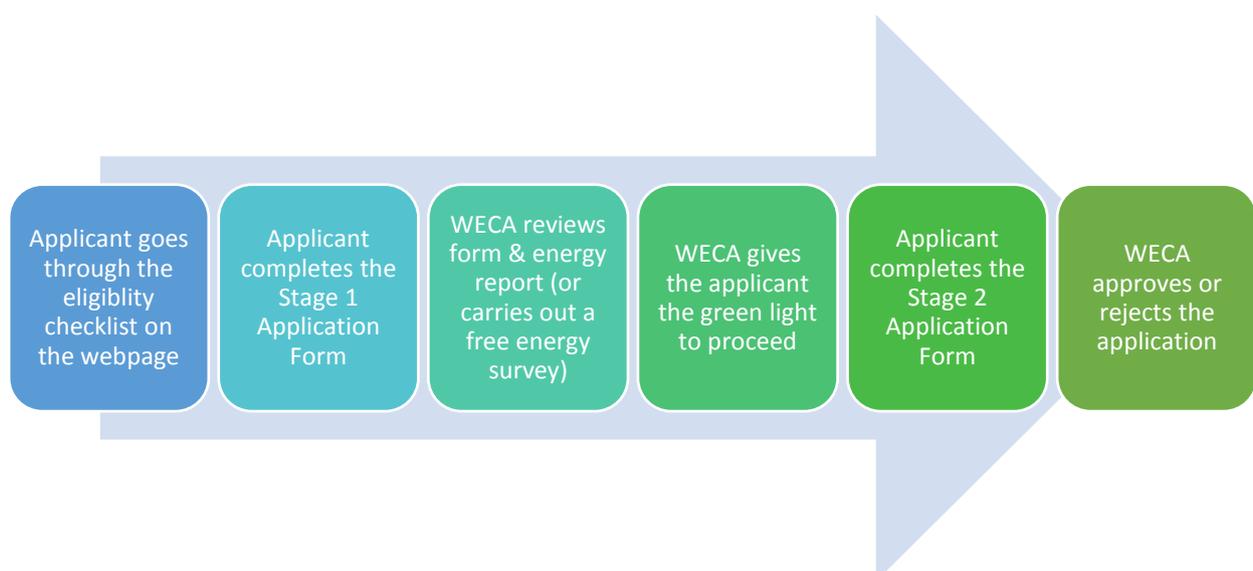
## 2.0 The benefits

Green Business Grants can help you:

- access cutting edge low carbon technologies;
- reduce your energy bills;
- be protected from future energy price rises;
- lower maintenance costs and keep equipment for longer;
- make your buildings more comfortable and healthier for staff;
- avoid emissions that can harm the environment and contribute to climate change;
- improve your green credentials with customers and contracting organisations;
- support the local supply chain for energy efficiency goods and services.

## 3.0 The application process

There is a two-stage application process to assess organisational then project eligibility.



<sup>1</sup> LCCF has confirmed ERDF funding which will be unaffected by Brexit.

#### **4.0 Who can apply?**

Green Business Grants are available to small & medium sized businesses (SMEs), of any type of legal entity involved in economic activity. You must be VAT registered. You should have fewer than 250 employees AND a turnover of equal to or less than €50m OR a balance sheet of equal to or less than €43m. If your company is in a partnership or has a linked enterprise, you must provide combined data. Please read the 'User Guide to the SME Definition' on our [webpage](#) to check what data to use.

Your company and the project location must be based in the local authority areas of Bath & North East Somerset, Bristol, North Somerset or South Gloucestershire.

#### **5.0 Who is not eligible to apply?**

The following are not eligible to apply: cash businesses; sole traders; charities (unless applying through a trading arm); community groups, sports clubs, village halls and similar entities; SMEs in the fishery, aquaculture, banking and insurance sectors.

WECA must ensure that it awards Green Business Grants in line with ERDF regulations, which means that we cannot support companies in financial difficulty. We will carry out due diligence on your application, including a credit check by a third-party agency. We also reserve the right to request a copy of your last three years' accounts.

#### **6.0 What can the grant be used for?**

Eligible activities include:

- capital works to improve the energy efficiency of buildings, including standard retrofit measures and methods such as insulation, heating, lighting and glazing;
- and/or capital purchases and their installation costs to improve the energy efficiency of business operations.

#### **7.0 What types of projects might be supported?**

Your energy report will help you decide what energy saving measures are needed. Projects that could be supported include, but are not limited to, the list below; where they deliver energy and greenhouse gas savings.

##### **Heating:**

- boiler replacement;
- improved heating or cooling controls;
- heat recovery systems.

##### **Insulation:**

- single to double or secondary glazing;
- window coating;
- insulation to walls, roofs, floors and pipework;
- suspended ceilings with insulation.

##### **Lighting:**

- lighting replacements e.g. T5 or LED;
- improved controls;
- automatic systems.

##### **Production equipment:**

- more efficient equipment e.g. compressors, manufacturing tools;
- more efficient motors;
- variable speed drives;
- more efficient refrigeration.

##### **Office & kitchen equipment:**

- replacement equipment with the highest possible energy efficiency rating.

##### **Transport:**

- 100% electric vehicles.

##### **Energy:**

- solar pv & battery storage.

The [SME Guide to Energy Efficiency](#) provides a useful explanation of the energy saving improvements that you could make, including no cost and low cost improvements.

## 8.0 What projects will be prioritised for funding?

WECA welcomes projects that:

- offer value for money;
- are deliverable;
- are financially viable;

and:

- use innovative technologies or approaches;
- take a holistic approach;
- are estimated to meet or exceed 20% energy efficiency savings (based on kWh);
- promote and raise awareness with a range of stakeholders of the benefits of adopting low carbon solutions such as staff and other businesses.

## 9.0 What can't the grant be used for?

The grant cannot be used for:

- works that do not deliver higher levels of energy efficiency;
- the deep renovation of buildings;
- activities that are required by law to meet a UK or EU standard;
- revenue (non-capital) costs such as energy surveys or planning fees;
- retrospective applications e.g. for completed projects or those where a legal commitment has been entered into with installers or suppliers;
- replacement double glazed windows;
- hybrid vehicles or electric vehicle charging points; however, the [local Go Ultra Low](#) project provides a 50% grant for businesses in North Somerset and Bath & North East Somerset local authority areas to install charging points; businesses in Bristol and South Gloucestershire can get a £500 grant from the [national Go Ultra Low](#) project.

## 10.0 How much grant can be applied for?

You can apply for a grant of between £1,000-£15,000 per business to cover 40% of your eligible costs. This is paid in arrears once the project is completed and is, in effect, cashback on the expenditure you make. The grant will support projects with eligible costs of £2,500-£37,500. WECA can advise you on whether all your costs are eligible.

The remaining 60% of costs will need to be met by your company e.g. through reserves or other financial mechanisms such as a loan. You cannot use any other public money to cover the remaining cost. Several banks have favourable loan terms for projects that make greenhouse gas savings. Further information to help small businesses find additional sources of finance can be found at the [West of England Growth Hub](#).

## 11.0 What evidence is needed to apply?

Your project must be based on recommendations given in an independent energy report. If you do not have an existing report, WECA will carry out a free energy survey and provide a report. An existing report, which can cover all or part of your business' energy use, must:

- be based on an on-site assessment;
- be no more than 18 months old;
- set out current energy use and energy tariffs;

- make recommendations for energy efficiency improvements and show the energy and CO<sup>2</sup>e savings these would make<sup>2</sup>.

If you are proposing works to buildings that you do not own, you will need to provide written evidence of the landlord's permission. You may also require planning permission and building regulations consent. The obligation to obtain any necessary consents lies wholly with you.

### **12.0 How will grants be awarded?**

If your application is eligible, your project will be scored as to whether it is value for money, deliverable and financially viable. High risk projects may not be funded. If the grant is oversubscribed, we will evaluate applications against additional criteria - see Section 8 and Appendix A for further detail. WECA may decide to close the grant application window early if oversubscribed.

Grants will be awarded by WECA, based on the advice of an Advisory Panel. There is no obligation on WECA to fund eligible bids. WECA may place projects on a reserve list for funding, depending on the amount of grant available at the time applications are considered. If you are unsuccessful, at Stage 1 or 2 of the application process, you will be able to re-submit a revised application in the same or future application windows.

### **13.0 Who can be used to carry out works or provide equipment?**

You must follow National Rules for procuring supplies, services and works. Please read the Procurement Guidance found on our [website](#). These rules ensure the sound financial management of public funds and open opportunities up to competition. As part of the Grant Offer Letter, you will be asked to sign a declaration for conflicts of interest.

### **14.0 When must the project be completed?**

Your project must be completed within 6 months of the grant award; in exceptional circumstances, where it is not reasonable to complete within 6 months, projects of up to 12 months will be considered.

### **15.0 What should the project deliver?**

All projects must deliver energy savings; and greenhouse gas savings, measured as tonnes of carbon dioxide equivalent (tCO<sup>2</sup>e). Your application form should show the estimated savings for the calendar year after project completion. You may be asked to update your application to reflect your installed project, if the savings are different to your application; and provide actual savings data and information about any other benefits one year after project completion.

### **16.0 How will grant be paid?**

Any award of funding will be formalised in a Grant Offer Letter, which you will be asked to sign. Funding will be paid in arrears at the end of the project. We aim to pay 28 days after the submission of a valid claim, supported by evidence of defrayed expenditure (i.e. actual money spent) such as copy invoices and/or bank statements and other documentation such as Building Regulations, Competent Person's Scheme and installers' certificates.

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<sup>2</sup> Using [BEIS 2017 conversion factors](#); 1kWh = 0.35156Kg CO<sup>2</sup>e; 1,000Kg CO<sup>2</sup>e = 1 tonne CO<sup>2</sup>e

All grant must be claimed within six months from the date of grant award (unless otherwise agreed). All funding offers will contain a 'project completion date' beyond which no automatic entitlement to further payments will exist. You may be required to provide a quarterly report on finance and project progress.

#### **17.0 What happens to assets funded by grant?**

Assets purchased using Green Business Grants cannot be sold without the written permission of WECA during their useful economic life.

#### **18.0 Does State Aid apply?**

Green Business Grants are subject to State Aid law, which restricts public financial assistance where it might distort competition and trade. However, some aid is allowed and lawful, such as under the [General Block Exemption Regulation \(GBER\) No. 651/2014](#).

WECA will assess your application against the eligibility criteria described in this guidance document, including GBER State Aid (Article 38), rejecting those that are ineligible. However, if awarded grant, it will be your responsibility to ensure that your project activities are compliant with State Aid.

#### **19.0 Does the Freedom of Information Act apply?**

You should note that WECA is subject to the Freedom of Information Act 2000. Applicants are requested to state in a covering letter, which part, if any, of the information supplied with their application is confidential or commercially sensitive or should not be disclosed in response to a request for information and why. Applicants' statements will be considered; however, WECA is unable to give any guarantee that the information in question will not be disclosed. In addition, any award of grant will be published in transparency data that WECA is legally obliged to publish; as well as details of successful applicants and their projects to promote the grant.

#### **20.0 How do we apply?**

Please complete the Stage 1 Application Form found on our webpage <https://www.westofengland-ca.gov.uk/green-business-grants/> and return it (with your energy report, if you have one, and your latest filed accounts) by email to [LCCF@westofengland-ca.gov.uk](mailto:LCCF@westofengland-ca.gov.uk) or by post to WECA, LCCF, 3 Rivergate, Temple Quay, Bristol, BS1 6EW.

If you have any questions about the grant or application process, please contact us for an informal chat on 0117 3321520 or [LCCF@westofengland-ca.gov.uk](mailto:LCCF@westofengland-ca.gov.uk).

Application forms can be submitted anytime between **Monday 1<sup>st</sup> July and Friday 1<sup>st</sup> November 2019**. Grant awards will be made in early September and early December 2019.

## Appendix A - Evaluation criteria

Applications will be scored against a. value for money, b. deliverability and c. financial viability. High risk projects are those that score 0 in any of these categories. If the funding is oversubscribed, the remaining categories d-g will be scored as well.

No.	Theme/Score	0	1	2	3
<b>a</b>	<b>Value for money</b>	Less than 5.44 tonnes carbon dioxide equivalent (tCO <sup>2</sup> e) saved per £10,000 grant.	5.44-6 tCO <sup>2</sup> e saved per £10,000 grant.	6-7 tCO <sup>2</sup> e saved per £10,000 grant.	7+ tCO <sup>2</sup> e saved per £10,000 grant.
<b>b</b>	<b>Deliverability</b>	Project cannot be delivered on time; and/or procurement guidance will not be followed.	Project unlikely to be delivered on time. Permissions or procurement plan unclear.	Project likely to be delivered on time; however, permissions or procurement plan unclear.	Project will be delivered on time. Permissions in place or clear plan to achieve them. Procurement guidance will be followed.
<b>c</b>	<b>Financial viability</b>	Cannot cashflow total expenditure; and/or cannot afford 60% of costs.	Financing plan identified.	Financing offer in place.	Can cashflow expenditure and afford 60% of costs.
<b>d</b>	<b>Use innovative energy saving technology or approaches</b>	No innovation.	Innovation included.		
<b>e</b>	<b>Take a holistic approach</b>	No holistic approach.	2 different energy saving measures.	3 different energy saving measures.	4+ different energy saving measures.
<b>f</b>	<b>20% or more energy efficiency savings</b>	Less than 15%	15-20%	20-25%	25+%
<b>g</b>	<b>Promote the benefits of low carbon</b>	No promotion; or poor communications plan.	Promotion to staff about the project; with a clear communications plan.	Promotion to staff about the project and wider low carbon messages; with a clear communications plan.	Promotion to staff and other businesses about the project; with a clear communications plan.