



Net Zero in Sandwell Grant Policy

V.2 April 2024

1. INTRODUCTION

- 1.1 Net Zero in Sandwell is an economic priority of the Sandwell Business Growth Plan aiming to empower and guide businesses in their transition to carbon net zero, helping to reduce their carbon emissions and support them to reach their carbon neutrality goals while creating a greener and more sustainable borough.
- 1.2 This will be achieved primarily through providing financial grant support to established small to medium sized businesses in Sandwell, to assist with the solutions of one, some, or all recommendations for energy reduction measures provided within an energy audit assessment.

2. GRANT APPLICANT CRITERIA

- 2.1 To be eligible to apply for a Grant, the business or social enterprise must:
 - Normally be holding a business rates account with Sandwell Metropolitan Borough Council. In some specific cases we could make exceptions here (e.g. when your landlord pays the business rates on your behalf) but regardless you will have to explain your rationale for not being registered for business rates.
 - Be profit seeking and be registered as trading at Companies House.
 - Be a small to medium sized enterprise (SME) - SME defined as an organisation that employs fewer than 250 persons and/or which have an annual turnover not exceeding £36 million, and/or an annual balance sheet total not exceeding £18 million.
 - Have a business bank account, not a personal account used solely for business.
 - Have completed an energy audit (or equivalent) via the Decarbonisation Net Zero Programme, where a qualified assessor will have visited your premises for a site visit. Following that, an energy audit will have been undertaken. If an energy audit has been undertaken from a provider sought by the applicant, the audit must be from a provider of qualified assessment within the last two years

(with appropriate knowledge (which may differ between commercial and industry) and qualifications (e.g. ISO/ ESOS accreditation), required for the complexity of the assessment.

- Provide an energy audit report (or equivalent) as detailed above. An equivalent may be where you have participated in an energy review type exercise with another qualified delivery partner who is part of the decarbonisation Net Zero programme.
- Not be a charity or an organisation of a political or religious persuasion; activities involving pornography or clairvoyance; or any business activity that is illegal or deemed unsuitable for public support by Sandwell Council are not eligible for Net Zero in Sandwell Grant support.
- Not be an SME from agriculture, forestry, and fisheries sectors.

3. GRANT ELIGIBLE COSTS

3.1 Grants will cover energy/resource efficiency improvements to business premises. For example, but not limited to:

- Ventilation (fans, distribution, destratification fans)
- Heating (replacement boilers, burners, heat pumps)
- Renewable technologies
- Lighting (LED, controls, sensors)
- Refrigeration
- Compressors
- Insulation
- Recycling & Waste (compactors, balers & crushers)
- Water management

4. GRANT INELIGIBLE COSTS

4.1 Energy/ resource efficiency improvements to business premises not included within the recommendations of the energy audit report.

4.2 The grant funding will not be used for training and skills development.

4.3 Costs deemed ineligible may be subject to change. Sandwell Council has the final decision on the eligibility of project costs. Please contact the Sandwell Business Growth Team for more information.

5. PROCUREMENT GUIDELINES & TIMESCALES

- 5.1 In most cases we expect applicants in receipt of a grant to be able to financially complete their projects within 3 months from the date of receiving approval. This includes, purchasing the item or service and providing evidence of spend or defrayal.
- 5.2 Grant recipients must contact Sandwell Business Growth Team if they fear project spend is delayed that will result in grant funding not being claimed in the preferred timescale. For high value, more complex projects, project timescales are subject to negotiation.
- 5.3 Grant recipients are to note that funding is provided through the UK Shared Prosperity Fund (UKSPF) and is subject to the Public Procurement Regulations. Grant Recipients are advised to refer to the UKSPF Guidance to ascertain the extent of the regulations they are subject to and if necessary, obtain independent procurement advice. Assuming the Grant Recipient is not a contracting authority, they will be required to comply with National Rules contained within UK Procurement Law Guidance.
- 5.4 A minimum of three written quotations are required as part of the grant funding application for all expenditure (one item or the sum of many items from one supplier) above £2,500 along with justification on the preferred quote or supplier. Local suppliers are encouraged as part of supporting Social Value in Sandwell.
- 5.5 For all expenditure, the suppliers must not be persons or businesses connected to the applicant business, directors, or shareholders.

6. AMOUNTS PAYABLE

- 6.1 A single grant of between £1,000 and £100,000 is available per SME (which has been trading for over 12 months), at an intervention rate of up to 50% of the total project cost.
- 6.2 If you are a start-up (trading less than 12 months) a grant of between £1,000 and £7,500 is available at an intervention rate of up to 50% of the total project cost.

- 6.3 The grant must be expended on eligible project costs outlined within the successful application and grant payment claims will not be paid for retrospective expenditure (expenditure dated prior to the date of approved funding agreement). Purchase Orders for eligible expenditure can be reserved or placed once 'approval in principal' confirmation has been received.
- 6.4 The grant must be match funded (a minimum of 50%) by the applicant business. This is the difference between the grant you are seeking and the remaining cost of your project. The source of the match funding cannot be from other Public Funds.
- 6.5 Grant funding is subject to availability, on a first come, first served basis, where all documentation has been provided and criteria of submission are met. All funding decisions are subject to a project, business, and financial appraisal, assessed on a case by case basis.
- 6.6 Payment will be made directly to the business bank account via BACS transfer.

7. SUBSIDY CONTROL

- 7.1 Business support is subject to UK subsidy obligations set out in the trade and co-operation agreement (TCA) with the EU and the world trade organisation (WTO) rules on subsidies. Businesses which have already received any type of grant support that equals the maximum permitted level of subsidy will not be eligible for further funding.
- 7.2 The programme operates in accordance with subsidy allowance under the Small Amounts of Financial Assistance Allowance – you're allowed up to £335,000 (subject to exchange rates) in Small Amounts of Financial Assistance over any rolling period of 3 financial years.
- 7.3 More information: www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities

- 7.4 Any aid awarded under this grant programme must be declared by the grant recipient including if the recipient is intending to apply, or has applied, for any other public funding. If the grant application is approved, the grant offer confirmation must be retained and shown to any other public funding bodies, if further grant funding is sought by the grant recipient, for three years following the grant funding offer.
- 7.5 False declarations will lead to the recovery of the value of the grant provided plus interest.
- 7.6 Where the applicant business is part of a wider group the £335,000 limit applies to the groups activity, for the purpose of public sector subsidy support received in the UK.

8. THE APPLICATION PROCESS

- 8.1 Pre-application, the applicant business must complete a free business diagnostic with Sandwell Council's Business Growth Team or Decarbonisation Net Zero Programme delivery partner.
- 8.2 Pre-application, the applicant business must complete an energy audit via the Decarbonisation Net Zero Programme, or from a provider in the last two years that meets the required standard as set out in section 2 of this policy.
- 8.3 Pre-application, the applicant business must provide a completed energy audit report (or equivalent as listed in 2.1 above).
- 8.4 Upon completion of the business diagnostic, the applicant business must participate in the completion of a financial impact assessment providing the following documentation:
- 3 months bank statements
 - 12 months cash flow forecast
 - 2 years accounts and 1 year of management accounts
 - If the applicant has been trading for over 12 months but less than 2 years, other financial requirements will be discussed with you at application.
- 8.5 Upon completion of a satisfactory financial impact assessment an online application is to be submitted via www.grantapproval.co.uk/.

- 8.6 If the application is successful, the grant recipient will receive a passcode to enable access to the grant funding.
- 8.7 The following information must be provided to support the grant application:
- three quotations (if you are unable to provide 3 quotes, then a single tender form will be required).
 - Business Bank statements
 - Proof of Identify
 - Copy of completed Energy Audit
- 8.8 The application will gather the information required to satisfy the funders minimum data set and to locally determine eligibility and the amount of grant payable. Businesses will be asked to provide evidence to support their application via the online portal.
- 8.9 This is a financial and time limited grant programme and the application process will close once the available grant funding has been committed.
- 8.10 Grant recipients should note that their data may be shared with the West Midlands Combined Authority (WMCA) and the UK Shared Prosperity Fund (UKSPF) team at central government for research and evaluation purposes and for the prevention and detection of error and fraud.
- 8.11 Information collected will be stored securely and retained in compliance with GDPR and the data protection act. This information will be used to evaluate the grant scheme and will be reported to the lead authority for UKSPF funding the WMCA.

9. GRANT PAYMENTS

- 9.1 All expenditure undertaken as part of the grant funded project must be paid for by cheque or bank transfer so that a clear evidence trail can be demonstrated. Any payments made in cash will not be eligible for grant payment.
- 9.2 Sandwell Council will only reimburse against invoices for eligible expenditure dated after the date when the funding agreement was approved. Grant claims should not include recoverable VAT.

- 9.3 Grant payments are issued as a reimbursement of eligible expenditure (i.e. paid in arrears) incurred by the business and will be paid on production of required evidence, i.e. copies of invoices for approved eligible costs and bank statements to evidence the payments. All documents required to make a claim are to be submitted to the Business Growth Team.
- 9.4 Grant payments will be made directly to the grant recipients business's bank account using details supplied as part of the grant application process. Grant payments will not be made to third parties.

10. MONITORING & OUTPUTS

- 10.1 Upon submission of the final financial grant claim by the grant recipient, the Business Growth Team will arrange a verification visit verify the expenditure, this may include taking photographs of the new equipment or area for example.
- 10.2 With all outcome monitoring businesses must email the Business Growth Team a copy of the requested information demonstrating outcomes achieved. Failure to provide this information or failure to comply with the reporting process may result in grant monies paid being reclaimed by Sandwell Council.
- 10.3 You may be contacted by Aston University Consortium or the Sandwell Business Growth team for a site visit following the purchase and installation of the new equipment.
- 10.4 All grant applications must attempt to help the business de-carbonise.

11. GRANT PUBLICITY

- 11.1 The grant programme is available to support local SMEs and is funded by the UK Shared Prosperity Fund. A condition of receiving the grant support is that recipients co-operate with the council on grant publicity. This may be through delivering certain social media or website posts, or by promoting the council logo and the government funders logo. Sandwell Council will provide grant recipients with the relevant logos and branding.
- 11.2 If a grant funded project includes funding to produce marketing materials (brochures, websites, advertisements, newsletters etc.) then the materials must acknowledge the source of the grant funding

within any items produced and follow the UK Government Branding Manual guidance:

<https://gcs.civilservice.gov.uk/guidance/marketing/branding-guidelines/>

- 11.3 If it is found that a grant recipient business has not adhered to the branding requirements there is a risk that the grant funding may be withdrawn, or where grant funding has already been paid it may then be reclaimed.
- 11.4 Sandwell Council expect to approve media content associated to the grant funded project prior to publication or posting any media to ensure continued grant compliance.

12. DECISION MAKING PROCESS

- 12.1 Grant applications will be appraised by Sandwell Council and informed by the recommendations of the energy audit made by qualified energy assessors and applicants will be notified of the decision via the online portal.
- 12.2 Payments will be made direct to the business bank account stated on the application once the required evidence has been provided.
- 12.3 Grant recipients will be contacted in due course regarding providing evidence under the contracted outputs.
- 12.4 The grant funding scheme does not allow for any formal right of appeal and all decisions are final.

13. OVERPAYMENT & FRAUD

- 13.1 Sandwell Council will seek to recover all grant found to be erroneously claimed.
- 13.2 Sandwell Council is committed to identifying and subsequently investigating suspected fraudulent claims made under this grant funding scheme and grant recipient businesses who falsely declare their circumstances will face prosecution.