

# **Warwickshire County Council**

## **Warwickshire Business Green Recovery Grant Scheme – Guidance for Applicants**

October 2022



# 1. Introduction

Warwickshire County Council established a number of Covid-19 recovery and investment programmes as part of a package of funding approved by the Council to support economic recovery in the county.

Continuing with this package of support and in response to the current energy crisis, Warwickshire County Council is offering support to micro and small businesses based in Warwickshire, impacted by the pandemic with planned initiatives to save carbon and money on their bills with grant investment for energy efficiency measures. We are working with Coventry City Council who deliver the Coventry and Warwickshire Green Business Programme to provide a free energy audit that must be completed before any grant application. The grant scheme has been designed to complement both the Energy Bill Relief Scheme recently announced by the Government and the Coventry and Warwickshire Green Business Programme which already provides energy efficiency grants to businesses in certain sectors.

The wider benefits of such investment to businesses included improved working conditions, reduced revenue costs, reduced maintenance costs, profitability, productivity, efficiency, improved green credentials; ability to win new contracts. Ultimately presenting opportunities for businesses to reinvest in their company redressing some of the negative covid impacts, reduce the carbon footprint and potentially, to create jobs from efficiencies gained. All these measures contribute to the recovery and growth of Warwickshire economy and underpin the Council's commitment in its Council Plan 2022 to 2027 to work with our partners and businesses to transition towards our goal of decarbonising Warwickshire.

This programme will remain open until the available funding has been allocated. An online Expression of Interest Form is now available.

## 2. Who can apply?

Micro and small enterprises in the retail, hospitality, tourism, and leisure sectors can apply. All applicants must be able to confirm that they have been negatively affected by Covid-19 and have clear plans to invest carbon efficiency measures to enable investment in the business, saving 1 tonne of carbon for each £1,000 invested per annum, whilst affording opportunities to create jobs where possible.

Applications are welcome from **eligible** Micro and Small business activities defined by the eligible SIC codes for this grant programme whose operations can be defined at least 50% Business to Consumer. You must check your business falls into one of the [Eligible SIC Codes](#) as per Companies House on **30 September 2022** before registering an expression of interest.

Grants are not available if your business has already received or has been offered a Coventry and Warwickshire Green Business Grant (via Coventry City Council).

A micro-enterprise is defined as an enterprise with fewer than 10 employees whose annual turnover OR balance sheet does not exceed €2 million (about £1.8 million).

Relationships with other enterprises are also taken into account when determining whether or not you meet these criteria.

A small enterprise is defined as a business with fewer than 50 employees whose annual turnover OR balance sheet does not exceed €10 million (£8.9 million). Again, relationships with other enterprises are also taken into account.

Applicants must fall into one of the [Eligible SIC Codes](#) as at 30 September 2022 and the investment will be based in the local authority area of Warwickshire (with an eligible postcode).

Applicants must have a minimum of three-year trading history to be able to confirm the negative impact by the Covid-19 crisis.

The minimum requirement is that applicants must be achieve a minimum carbon saving of 1 tonne per £1,000 grant required. Although not an essential requirement, if your project is able to create jobs in the future as a result of this investment and savings realised, we are interested to know the number that can be created by March 2024.

The acquisition must be based in the local authority area of Warwickshire (with an eligible postcode) for a minimum of 3 years.

### **3. How much funding is available?**

Grants of between £1,000 and £20,000 are available for Carbon Reduction initiatives.

Applicants will need to demonstrate the need for the requested level of public funding and how their project will comply with the new UK Subsidy Control Regime.

An initial £300,000 has been made available for disbursement in total and by the end of the financial year to 31 March 2023. Applications will therefore need to demonstrate that projects can be delivered within this disbursement timeframe and to underpin Warwickshire County Council's commitment to support the recovery and growth of the local economy with early and swift disbursement of this limited fund

Subject to the above disbursement timeframe conditions, funding will be allocated on a first come, first served basis to eligible businesses and Warwickshire County Council reserves the right to increase or decrease the funding available, or to support more or fewer projects depending on the volume and value of applications received.

Warwickshire County Council also reserves the right to close the scheme to applications once sufficient applications have been received.

We recognise that a limited disbursement pot and timeframe Warwickshire County Council is unlikely to be able to fund all project requests. We will continue to update our website with details of all future funding programmes.

Warwickshire County Council reserves the right to give prior consideration to all deferred funding decision(s) should additional or new funding become available at any time.

## 4. What activities are eligible?

The scheme will fund capital costs. Grants can be used to support up to 40% the capital investment of assets identified in an independent energy audit with a range of grants available between £1,000 and £20,000. The following items are often identified in an energy audit and provide examples of activities that may be eligible for grant assistance, should the carbon saving per tonne per £1,000 invested be achievable:

- Lighting – LED, controls, sensors
- Heating - replacement boilers/burners, upgrades - electric to gas, zone control, heat recovery, oil to gas, thermal stores,
- Compressors
- Ventilation – fans, distribution
- Refrigeration
- Renewable technologies
- Recycling and waste - compactors, balers and crushers

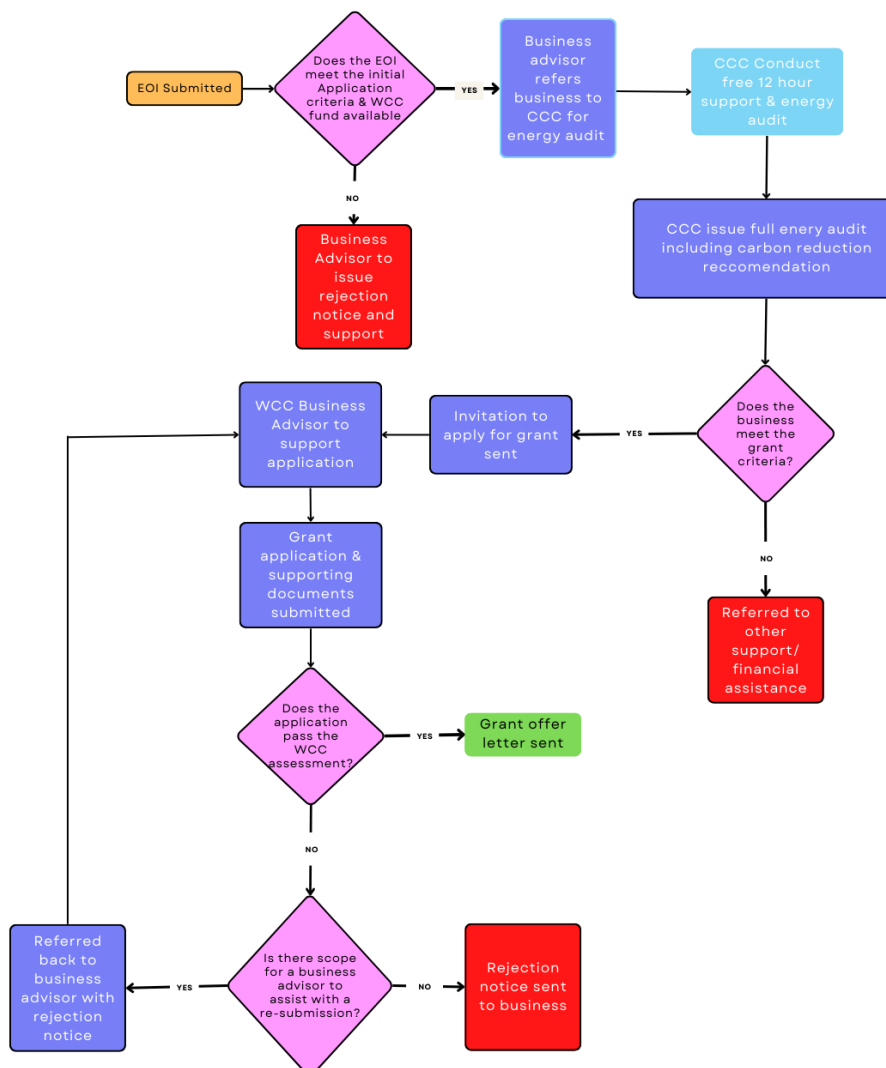
There is a list of ineligible activities and costs which cannot be considered for grant in **Appendix A**

## 5. The Application Process

Applications will be considered on a first come, first served basis – the date of application for this will be the point at which an application and all supporting documentation is received by Warwickshire County Council.

The process for application is by invitation but will begin with an expression of interest.

There are a number of stages that will be completed the initial phase we call the eligibility and completeness process and will happen before an invitation to full application is made. This phase will include work with our partners at the Coventry and Warwickshire Green Business programme (Coventry City Council) who will arrange an independent energy audit on Warwickshire County Council's behalf and identify those projects that could achieve the requested carbon savings.



Eligible businesses will then be invited to apply subject to the outcome of the Energy Audit.

All Grants in this programme are to support or contribute to the recommendations of this energy audit, a grant application will not be invited until the audit has been completed and this could take 3-4 weeks before we are able to advise if you will be invited to submit the application.

We will allow 2 weeks after invitation to bring forward your completed application – If the application is not forthcoming at this point it will be considered as withdrawn and the invitation rescinded.

A range of supporting documentation is required depending on your project. For example, you will need to be able to demonstrate that you have the relevant statutory approvals/ permissions required for your project to be able to proceed (e.g., planning permission approval notice).

You will also need to provide like-for-like quotations for all costs. A minimum of one quote should be from a Warwickshire-based supplier and we encourage applicants to seek as many local quotes as possible.

Applications received that do not include all the mandatory supporting information **will be automatically rejected**, so please ensure you check you have this information to hand before completing your application.

All applicants must confirm and demonstrate the negative affect of Covid-19 and have clear plans to invest in the carbon emissions reduction measures, detailed in the energy audit with a saving 1 tonne per £1,000 grant invested. The application will require the submission of the following supporting documents:

- 3 years of Accounts
- Copy of the latest Business Plan
- Cash-flow forecast for the period of the proposed investment This should also clearly demonstrate how you will fund the project up-front.
- Quotes
- Copy of hire purchasing agreement (if applicable)
- Name and CV of third-party Consultant or Agent (if applicable)
- Landlord Consent (if applicable)
- Planning Consent (if applicable)
- Confirmation of the FTE within the business including those safeguarded as part of this grant

## 6. UK Subsidy Control

Grant funding provided by the Council must comply with the new UK-EU Trade and Cooperation Agreement (TCA). Article 3.2(4) of the TCA provides that the TCA Subsidy Control provisions do not apply to subsidies where the total amount granted to a single economic actor is below €325,000 Special Drawing Rights (approximately £345,000) over any period of three fiscal years. This is similar to the former De Minimis Regulation.

For the purposes of assessing applications, we will apply the current £345,000 limit to funding. When applying, applicants must declare how much public sector funding (including consultancy support) they have received under the De Minimis Regulation within the last **five** years. This may reduce the amount of grant available to support your project.

Payments received under the Covid-19 Temporary Framework, “furlough” payments, tax payment deferrals and business rate relief will not be counted towards the £345,000 limit.

## 7. Procurement

To ensure best value for money, all goods and services will need to be openly and fairly procured.

Applicants need to provide written quotes references to catalogue listings or formal tenders as part of their application. A minimum of one quote should be from a Warwickshire-based supplier and we encourage applicants to seek as many local quotes as possible.

The table on the following page provides general guidelines depending on the value of an individual item.

Supplementary guidance on the requirements expected from quotes and ensuring value for money is included on **Appendix B**

£500 or below	Two written quotes or references to catalogue listings. A minimum of one from a Warwickshire-based supplier.
£501 up to £20,000	Three written quotes or references to catalogue listings. A minimum of one from a Warwickshire-based supplier.

Projects involving goods and services above the EU threshold should be discussed with Warwickshire County Council at the earliest opportunity.

## 8. Permissions and Consents

If your project requires permissions or consents (e.g., planning permission or landlord consent), you will need to obtain these prior to application and include copies of the consents with the supporting documentation at application.

If you are not sure whether your project needs permission or consents, it is up to you to check this.

Grant funding is not available towards the cost of getting any permissions or consents.

## 9. Output Definitions

This section of the guidance should be used to help determine the outputs for your project. Should your project be approved, then the outputs included in your application will form part of the grant agreement.

### **Required Outputs**

Carbon saving (1 tonne per £1,000 minimum)

### **Optional Outputs**

**Jobs supported:** Jobs supported are staff members within the organisation that benefit from the grant funded project. In some cases, this can be all employees within the business (if the project has an overall supporting outcome to the business).

**Jobs safeguarded:** A job is considered as 'safeguarded' if a job which was considered at risk when a business applied for the grant is still in existence at the time of counting and is no longer at risk of being lost within a year. The job must not be counted again if it is filled over time by different individuals. Jobs safeguarded are also counted as full time equivalents as per the guidance below.

**Jobs created (Employment increase in supported businesses):** Jobs created are where new, permanent, and paid jobs are created. Date of creation is the day the new employee starts work in the business. The job should not have existed before. Jobs should also have a life expectancy of at least 12 months. A full-time equivalent (FTE) job created can still be counted even if it does not last for 12 months provided there is contractual evidence that the intended life expectancy of the job was 12 months.

Full time equivalent: Paid work of 36 hours or more per week. Part-time jobs should be treated on a pro-rata basis. Seasonal jobs can be counted where this is normal practice for a specific industry.

To include jobs created in your application, all forecast jobs created need to fall on or before **31 March 2024** and reported on the basis of gender, age, disability and ethnicity.

**Number of new to the market/ new to the firm products introduced:** If the project involves new products, either new to the market or new to the firm, these should be also reported. Products can be tangible or intangible (including services and processes).

A new to the market product is one where there is no other product available with the same functionality or it is fundamentally different in design or technology to already existing products. A new to the firm product is one where there is no other product available at that business with the same functionality or it is fundamentally different in design or technology to already existing products at that business.



## 10. Grant Offer

Successful applicants will be invited to enter into a grant agreement with Warwickshire County Council. This will explain when a project can start and all terms and conditions including any project specific conditions.

An inception meeting will take place and cover each aspect of the grant offer and we will go through your responsibilities during the life of the grant agreement, including post payment obligations and publication of the Warwickshire County Council grant support. The offer will then be issued, and 28 days is then allowed for businesses to review, seek advice, and sign up to the agreement.

Grant offers are however timebound and automatically lapse on day 29 if the signed agreement is not received by Warwickshire County Council via [business@warwickshire.gov.uk](mailto:business@warwickshire.gov.uk). This will be treated as a withdrawn grant application, and we will notify you accordingly.

Warwickshire County Council must always be notified immediately and in writing of any changes to a project. This might involve changes to the timing or the financing of a project. All changes must be agreed in writing by Warwickshire County Council so changes can be made to the grant agreement otherwise this could affect the grant offered.

Once you have returned your signed grant offer letter, we will send you your claim documentation and instructions on how to complete and submit your claim/s.

## 11. Project Delivery and Grant Claim(s)

When considering an application for grant funding it is worth having some insight into the administrative process to access the payment of grant.

The grant is public money so Warwickshire County Council is bound by its Financial Regulations to account for and control the disbursement of all grant monies. To ensure probity, the grant offer and agreement will set out an agreed delivery plan which will influence what we pay in grant and when.

The following sets out some helpful insight into that process: -

**The project start date** – This sets the date from which eligible expenditure will be considered. Assets acquired or work undertaken before this date will not be eligible for grant.

**Delivery Plan** – details key milestones. You will need to keep Warwickshire County Council informed on the progress whether this is on track, ahead of time or some minor slippage – any milestone date changes need prior written approval by Warwickshire County Council, or grant could be placed at risk.

**The project end date** – falling within the overall funding disbursement timeline and crucially this sets the final date for any eligible expenditure to be incurred and to claim grant funding.

**A Funding Profile** – A schedule of all eligible expenditure, approved supplier(s), agreed value (usually that quoted in the application) and the intervention rate i.e., value of grant offered on each item. This sets out a clear and agreed record of the transactions we expect to be included in grant claims and the contribution which Warwickshire County Council make to the project.

**Making a Claim & Claim Date(s)** – The grant agreement requires that you make up-front payments to your supplier(s) and then submit a claim for the grant investment.

A grant contribution of up to £2,000 - you will be required to submit one claim on completion of the delivery of the project.

For a grant contribution of over £2,000 you can opt for an interim payment to support phased or staged payments to suppliers and then a final claim. Again, payments of instalments are always in arrears so to apply for an interim payment you need to demonstrate, in the project plan, that a phase or stage of the project will be complete before the requested date for an interim claim. This option will depend on the nature of the project.

The grant agreement will set out the dates for you to make a claim but in either scenario as the grant agreement requires you to make up-front payments to your supplier(s) your cashflow forecast will need to demonstrate your plans to fund the project up-front allowing for the grant investment to be made in arrears.

When you make a claim, you will need to provide a supplier's VAT invoice, along with evidence of defrayal that clearly shows payment to the named and approved supplier for each transaction – usually we expect to see your company bank statement to demonstrate defrayal. It is also **very** important to note the constraints of our Financial Regulations on the claims process. Warwickshire County Council does not make grant payments for CASH transactions, payments in Kind, payments made to unapproved third parties/ suppliers or for items not included in the Funding Profile. All such transactions are ineligible for grant funding.

## 12. Publicity

The grant agreement will also explain the rules for publicising the grant support from Warwickshire County Council and of your responsibilities to engage with Warwickshire County Council in publication events, as this is a condition of grant funding.

We may ask you to acknowledge the funding in any press releases or when communicating with customers (for example on web sites).

We may also ask you to display a poster or plaque (depending on the project).

Advice on publicity will be available at any grant offer stage.

## 13. Contact

All enquiries should be marked FAO: Warwickshire Business Green Recovery Grant Scheme and be emailed to [business@warwickshire.gov.uk](mailto:business@warwickshire.gov.uk)

## **Appendix A**

### **Ineligible activities**

The following activities are not eligible for support:

- Any assets outside the scope of the energy audit
- Any revenue costs associated with capital investment of the energy audit

### **Ineligible costs**

The following costs also cannot be claimed:

- Expenditure incurred before the start date in the grant offer letter;
- Expenditure for items not identified in the energy audit as facilitated by Coventry City Council on Warwickshire County Council behalf;
- Mobile infrastructure such as vehicles, mobile plant;
- Overheads allocated or apportioned at rates materially in excess of those used for any similar work carried out by the applicant;
- Notional expenditure;
- Depreciation, amortisation and impairment of assets purchased with the help of the Grant;
- Interest charges unless under an approved State Aid scheme;
- Service charges on finance leases, hire purchase and credit arrangements;
- Costs resulting from the deferral of payments to creditors;
- Reclaimable VAT;
- Expenditure supported from other government sources, local authority grants, charges paid by leaseholders, or EC structural funds, to the extent that the combined grants and other support total more than 100% of the project or scheme costs;
- Any cost relating to insurance policies.

This list is not exhaustive.

## **Appendix B**

### **Warwickshire Business Green Recovery Grant Scheme – Supplementary Guidance on Quotes**

The following is provided to support quality applications and to ensure a consistent and equitable assessment of each application. Please read the following information carefully and if appropriate include details of any discrepancies with the expected norm i.e., fewer quotes or where a conflict of interest exists at the time of application. We will contact you to assess the impact on eligibility, if any.

The absence of necessary information without explanation can invalidate your application and result in it being rejected.

Undisclosed information e.g., a conflict of interest could result in the grant being recovered by Warwickshire County Council at a future point.

#### **Quotes**

You are required to provide three quotes or tenders or two if the value is £500 or less for every item included in your application. You must identify the preferred supplier in your application.

We would encourage you to use Suppliers based in Warwickshire wherever possible.

Where you have been unable to provide three like-for-like quotes, please explain the reasons why and you will need to show that the quotes you are providing demonstrate value for money and the items are fit for the purpose of the project.

If you are unable to provide three quotes, we may not be able to include the item in the grant offer if you are unable to demonstrate value for money.

The following requirements apply. All quotes must:

- Be independent of each other (i.e., from different suppliers that trade as standalone business entities that are not linked through shared ownership);
- Be independent of the applicant;
- Be comparable (e.g. of same or similar specification (quality), size, quantity, units);
- Include a detailed and itemised breakdown of costs;
- Be dated within the last six months and still valid;
- Be addressed to the grant applicant business at the address shown on the application form – any online quotes should also quote this address;
- Show the supplier's address, telephone number and contact details;
- Give the VAT number (if the supplier is VAT registered and VAT is charged on the quote); and
- Show the supplier's company registration number (if they are a limited company).

Where catalogue listings are allowed as set out in the guidance, applicants should send references to a catalogue listing as print-outs or photocopies, and they should include:

- the date on which it was printed or copied;
- the item description and the price;
- the name of the company or catalogue; and
- the page number or webpage

Regrettably we cannot accept hyperlinks to catalogue information due to the changing nature of supplier's listings.

### **Value for money**

To demonstrate value for money, it is expected that applicants use the cheapest supplier of each item, demonstrating best value on the market for the project item. You need to identify your preferred supplier, if the supplier is not the cheapest, please explain why. We may not be able to accept the cost of your preferred supplier, and this may reduce the grant for the item to the cheapest quote, in this scenario you could still work with the supplier of your choice, including the difference in your match funding proposal detailed in the cashflow forecast.

The following are not acceptable reasons for using a more expensive quote:

- the location of the supplier;
- the fact that the applicant has bought from a supplier before; or
- any offers the supplier makes to the applicant about future service or maintenance of equipment.

### **Independent quotes**

The quotes you provide should be from businesses/ individuals who are independent from your business and you. If any of them are not, please provide details and explain how they are connected. If you are proposing to use a supplier that is connected to you or your business in any way and the quote is accepted, the total cost permissible for this item may be reduced when the grant is calculated.

### **Procurement rules**

You are expected to comply with the procurement rules set out in the guidance for applicants. In most circumstances we expect that three quotes for each item will be sufficient. If you decide any of your project items need to be tendered, please explain the process you have followed to source the chosen tender and how the tenders comply with your process.

### **Second-hand items**

If you propose to purchase any of the project items second-hand, you must explain these in your application form and provide the reasons why. In addition to the quote, you will also have to provide the following written confirmation:

- The seller of the equipment shall provide original proof of purchase and confirm that at no point during the previous seven years has it been purchased with grant funding;
- Evidence the price of the equipment does not exceed the market value cost of similar new equipment (comparable quotes);
- Confirmation of the current condition of the equipment, i.e. that it meets health and safety legislation and its usability for the operation(s) proposed; and it has at least five years useful life remaining from the date of the final payment.

### **Conflict of Interest**

Businesses who are looking to apply for The Warwickshire Business Support Green Grant need to explain, in the application form, if there is any conflict of interest between the SME and a supplier providing a quote or tender for the project.

***Conflict of interest will include being a Director or Shareholder of the Company providing the quote, or if the Supplier is part of the business Group i.e., a sister company, or is a family member.***

If a business is aware of any other conflict of interest other than outlined above, they need to contact Warwickshire County Council and provide details.