

Frequently asked questions for Green Business Programme

What is the aim of the Green Business Programme?

To save carbon

The priority aim of the Green Business Programme is to help small to medium sized business (SMEs) based in Coventry & Warwickshire to save carbon with grant investment for energy, water and waste efficiency measures. However, there are a number of wider benefits energy and resource efficiency measures can bring to businesses. Examples include: significant cost savings by using more energy efficient equipment that can be re-invested into the business; improved working conditions for staff; improved Health & Safety practices; proofing of business against future increased energy prices; and creation of new jobs.

Who are the delivery partners?

The Programme is being delivered by Coventry City Council, Coventry University & Coventry University Enterprises.

What are the programme outputs?

Coventry City Council - Green Business Network

- **125 audits** (identify opportunities for savings in waste, water, materials and energy)
- **75 grants** (1.24m capital grants, 40% intervention rate and 20k revenue grants, 40% intervention rate) ***All companies that receive a grant will have had an audit.***
- **Save at least 2,500 tonnes of GHG emissions**

A diagnostic audit will be carried out by CCC Business Energy Advisor prior to Grant application. The Grant will usually be for a measure indicated in the diagnostic audit report.

Coventry University and Coventry University Enterprises

- **65 SME assists** (workshops and 1:1 support to assist SMEs in the adoption of sustainable building techniques and other low carbon technologies)
- **11 new enterprises supported** (300k capital and revenue, 40% intervention rate)
- **10 new to firm products** (to support SMEs to bring to market new low carbon products/services)

Coventry University Enterprises – R & D Clusters

- **Deliver 25 knowledge collaborations** (focused on innovation in the low carbon sector)

What are the minimum and maximum grant amounts?

The fund will offer two types of grant, capital which will be based on:

- **minimum** value of **£1,000**, and up to a **maximum** value of **£50,000**

Revenue which will be based on:

- Provision of up to **£6,000** to cover up to 40% of revenue costs

What amount of money is in the grant pot?

- **£20,000 pot of revenue grants** that will support SMEs to advance their resource efficiency through procuring specialist external expertise for Building Management Systems, ISO consultancy etc. These grants will be administered through de Minimis State Aid regulations
- **£1,245,680 pot of capital grants** that will support SMEs to purchase assets (including machinery & equipment and work to premises) that will support them to become more efficient and cost effective. These grants will be administered through de Minimis State Aid regulations

What is the De Minimis State Aid Regulation?

The Green Business project needs to comply with the European Commission's De Minimis regulation (EC Regulation 1407/2013), which allows a company to receive up to 200,000 Euros of public aid over any rolling three year period. This is to ensure that the money given doesn't advantage one company and distort competition.

What energy/resource efficiency measures can be supported?

LED Lighting

More Efficient Machinery

Insulation

Renewable energy such as solar PV – However, renewable technology projects will not be eligible if they are also intending to utilise generation payments (e.g. feed in tariff / renewable heat incentive)
Heating – Replacement boilers/burners, upgrades - electric to gas, zone control, heat recovery, oil to gas, thermal stores

Ventilation – fans, distribution

Refrigeration

Off road vehicles

Recycling and waste - compactors, balers and crushers

Are some SMEs not eligible for the programme?

Yes. We are not able to support local social welfare facilities e.g. hospitals, nursing homes, fire stations, child -minding facilities, sports facilities, parks, public libraries, not for profit organisations, banking and insurance companies, community groups, charities and start-up businesses (**businesses must be trading for at least 1 year**). The SME also has to demonstrate that it is generating growth within the region and have at least 50% of sales through business to business. We are also not able to help SMEs who are part of a franchise or another company holds greater than 25% of shares in that SME.

What happens following an energy or resource audit?

Following the energy and resource audit, any machinery, lighting, heating etc. which are high costs or running at a high carbon rate will be identified for replacement or introduction to the business to help the business reduce their energy bills and costs and become more energy efficient. As long as the business can identify a carbon saving the capital grant can support the application.

Do supplier's quotes for the work have to be obtained?

Yes. If the grant application is for less than £25k then only one quote is needed. If the grant application is for more than £25k then 3 suppliers' quotes are needed. It is the responsibility of the SME to source their own quotes.

When does an application go to grants panel?

If the application is for £25k or more then it has to go to a grants panel. The grants panel include members from Coventry City Council, CW Growth Hub, CW Chamber of Commerce and Warwickshire County Council. The grants panel meet every 6 weeks.

How much carbon saving should there be?

Although each application is appraised case-by-case, the majority of projects will need to have a carbon saving of one tonne for every £1,000 of grant funding or more.

What are the value added benefits of grant support for SMEs?

- Investing in new energy efficient equipment to support commercialisation
- Energy costs will be reduced and savings can be re-invested back into the business which can lead to the generation of new jobs
- Newer equipment is more reliable and requires less servicing and maintenance.
- Improved working conditions can reduce sickness absence and improve staff retention
- There will be an increased ability to win new contracts (e.g. new equipment can increase manufacturing outputs or mean producing a new product to sell)
- SMEs will develop links with the knowledge base and be empowered to create new products and adopt low carbon technologies
- Green credentials will also be improved, enhancing reputation for SMEs
- Reduced climate change impact
- Improved energy security and reduction of the price risk for energy consumers

What are the examples of efficiency measures with their Rate of Return*

Technology	Typical Payback	% savings
Upgrade boilers	5-10 years	15-20%
Pipe insulation	3 years	10%
Upgrade Air Conditioning System	1-5 years	5-25%
Upgrade motors/drives	2-3 years	10%
Upgrade to LED lighting	3-4 years	65%+
Install light motion sensors	2-10 years	10-25%
Install cavity wall insulation	3-6 years	5%
Install solid wall insulation	10-20 years	5%
Install loft/roof insulation	2-4 years	7%
Upgrade windows	10-20 years	12%
Fix draughts in windows/doors	0.5 years	10%
Air compressor	2-5 years	20-25%
Industrial warehouse/factory heaters	2-6 years	15-30%
Solar PV	8 – 15 years	20%-50%

Source: Adapted from Carbon Trust and audit findings for Green Business Programme.

Please note grant support would reduce the payback period/ rate of return on investment.