

## **Energy Audit Voucher Grant - Guidelines for Applicants**

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**This grant is part-funded by the UK Government through the UK Shared Prosperity Fund.**

### **A. OVERVIEW**

The purpose of the Energy Audit Voucher (EAV) is to provide a voucher based grant to help businesses address specific, immediate priorities in direct response to the rapid rise in energy costs, and to develop an understanding of energy usage within their business infrastructure and processes to enable actions to be taken to reduce energy use, optimise energy sources, and optimise business operations and services to become more efficient, sustainable and conscious of their carbon footprint.

The EAV provides grant funding as a contribution towards specific projects which enable an audit of current energy use, and business and manufacturing practices, to enhance business operations and review and reduce energy use where appropriate. The grant cannot be used towards addressing working capital requirements nor day-to-day cashflow issues. EAV grants will provide 100% of eligible project costs (excluding VAT), up to a maximum grant award of £2,500 with one application per business.

### **B. OBJECTIVES**

The aim of the EAV aligns with the Council's "Plan for North Lanarkshire", and Ambition Statement 5: Grow and improve the sustainability and diversity of North Lanarkshire's economy.

- i. Support business growth – by providing knowledge on energy use and sustainable practices aligned to optimising use of physical business environments, manufacturing processes and business models leading to minimise energy use and reduced the carbon footprint. This will lead to safeguarding businesses, improving productivity, and making businesses more competitive as suppliers and/or service providers to their customer base.
- ii. Support decision making processes to adapt or modify the business premises or operating model - in order to address new challenges in your trading environment which have arisen as a direct consequence of rising energy prices and a growing need to operate a sustainable, low carbon business model.

### **C. ELIGIBILITY OF BUSINESS**

- i. **Business type & location:** The applicant business must be an existing business based in North Lanarkshire and operating within a recognised legal structure (see [www.gov.uk/business-legal-structures/overview](http://www.gov.uk/business-legal-structures/overview)). Private individuals cannot apply for grant support. Ventures at the pre-start/pre-trading/feasibility stage are ineligible.
- ii. **Business trading:** The applicant business has been trading for 12 months.
- iii. **Place of business:** If the applicant business only has a ‘registered office address’ or a ‘virtual office address’ within North Lanarkshire but conducts its actual business or trade from an operational base out with North Lanarkshire, then the business is not eligible to apply for a grant from North Lanarkshire Council. The company’s invoicing and business correspondence address must be within North Lanarkshire.
- iv. **Business size:** The applicant business must be a micro, small or medium enterprises (up to 250 employees).
- v. **Business structure:** If the applicant is part of a larger group of businesses or franchise with a headquarters out with North Lanarkshire, or has direct/indirect links to other businesses, it can only apply if it is a wholly autonomous cost/profit centre responsible for its own day-to-day management and producing its own management accounts and audited accounts. Applicants which fall into this category may be asked to produce evidence of their autonomy from the parent company/group.

- vi. **Business premises:** Applicant must own the business premises or have a commercial lease at the date of the application. Home-based businesses are not eligible.

#### **D. SUPPORTED PROJECT TYPES**

The Energy Audit Voucher (EAV) grant is to provide financial support to help businesses to engage a suitably qualified consultant/energy expert to audit their business and provide a report of information with recommendations to support the business address the impact of their current business practices and their impact on energy use.

Examples of the types of projects applicants can use the Energy Audit Voucher to support include:

- Engage an expert to undertake an Energy Audit of business premises, manufacturing practices and business operations to obtain a baseline of current energy use and carbon footprint.
- Engage an expert to provide a report of recommendations and actions that could be undertaken by the company to reduce energy consumption or to switch to more economical means of powering the business and its operations.
- The reporting may also include recommendations to undertake adaptation of the business premises to reduce heat and energy loss (e.g. energy efficient lighting, insulation, double glazing etc).
- The reporting may also include recommendations on alternative energy sources (e.g. energy provision) and alternative energy sources that are more sustainable (e.g. solar PV, ground source heat pumps, wind power, biofuels etc)
- The report may also address changes to the existing business model/operational model to deliver sustainable practices.
- Other purpose (businesses must be able to demonstrate that the proposed project seeking funding is in direct response to the impact of increasing energy prices)

Please note that:

- EAV funding cannot be used to provide working capital.
- All projects that have been awarded grant support must be completed within 3 months of the award date stipulated in the grant award letter received by the applicant company. Grant awards may be cancelled or withdrawn if supported projects are not completed within 3 months.

- In order to be considered for grant support no work must start on the project in question and no expenditure should be incurred until after the applicant company has received a formal decision from the council regarding their grant application. Projects which commence before a grant decision is made indicate that grant support is not essential to the project proceeding. Such applications may be cancelled and/or grant awards withdrawn.

## **E. APPLICATION, ASSESSMENT AND CLAIM PROCEDURE**

### **1) Application documents**

Applicants must submit the following documentation to apply for a EAV grant:

- Completed Energy Audit Voucher application form.**
- Completed Bank Mandate form.** The Bank Mandate form is Appendix 1 of the application.
- Evidence of Incorporation** - any one of the following:
  - Company (inc. SCIO): Certificate of Incorporation or Companies House registration number.
  - Partnership: Partnership agreement or HMRC registration.
  - Sole Trader Self Employed and Freelancers: HMRC registration, Self-assessment documents or a valid business insurance document.
  - Community Interest Company: Certificate of Incorporation
  - Trust: Constitution documents, HMRC registration or VAT registration document.
- Evidence of ownership/commercial lease.** This could be a copy of i) premises lease summary or ii) e-mail from landlord confirming duration of tenancy agreement, or iii) proof of ownership.

### **2) Grant application process**

**Preparing and submitting your application.** Grant application forms are available to download from the Business Support section of the North Lanarkshire Council website.

Applicants may benefit from the comprehensive range of other business support available from the local Business Gateway service, which is managed by North Lanarkshire Council. Business Gateway Lanarkshire advisers offer a range of advice and expertise on a wide range

of topics including business growth and development. Advisers can also help you prepare and submit your EAV grant application. If you wish to discuss with Business Gateway Lanarkshire, contact them directly on 01698 756956 to arrange a one-to-one meeting.

Completed applications should be submitted by email to:

**EnergyAuditVoucher@northlan.gov.uk**

### **3) How much grant can I apply for?**

EAV grants will provide 100% of eligible project costs (excluding VAT), up to a maximum grant award of £2,500 with one application per business. **If your project exceeds this level of financial support, then additional costs will be met by the applicant company.**

### **4) Assessment and appraisal**

Completed grant applications must be received and the funding decision confirmed in writing by the applicant business from the Council, before the energy audit expert or consultant has been commissioned, project works begin, and any other activity or expenditure relating to the project commences.

Any services purchased, or activity undertaken before a grant decision is made will subsequently be ineligible for grant payment and may result in the entire grant award being cancelled.

### **5) Decision and Grant Payment**

The applicant will be notified of the decision on their grant application once the application has been processed. All applicants (successful and unsuccessful) will be notified of the Council's decision by e-mail. Successful applicants will subsequently receive an award letter including a Grant Acceptance Form which must be signed with a wet signature, dated and returned to the Council within 5 days of the grant award date provided. Payment is usually made by BACS transfer direct to the applicant's bank once the Energy Audit Report has been submitted to North Lanarkshire Council.

### **6) Post Award follow up**

Funded projects must be completed, and all suppliers paid, within 6 months of the grant award date. Applicants must submit a Project Completion Form after the project has been successfully completed as per the original application and supplier/consultant have been paid in full. **This must also be accompanied by the Energy Audit Report obtained as a required element of the work being carried out.**

The completed Claim of Grant Payment Form must be accompanied by evidence of spend including receipts from all suppliers and a copy of the company's bank statement, showing payments in respect of these supplier invoices leaving the company's bank account.

Note that the bank statement must be a formal monthly or quarterly statement showing the business/account-holder name, sort code and account number (as well as highlighting all payments made in respect of relevant supplier invoices included as part of the claim).

If the actual project spend is materially different to the evidence of project costs provided in the application or used to pay a supplier other than that quoted in the application, North Lanarkshire Council shall be entitled to terminate the grant offer.

## **7) Key points when submitting project costings**

**VAT:** note that VAT is ineligible for grant support and must be excluded from claims.

**Wage/Salary costs:** costs associated with the wage/salary of the applicant businesses staff are ineligible for the grant and must be excluded from the claim.

**Paying suppliers by cheque:** where payment for goods or services has been made by cheque, you must enclose either i) a copy of the cheque or ii) a receipt, e-mail or letter on headed paper from the supplier (stating the invoice number) confirming that they have received payment in full. In the case of e-mail confirmation, it must be clear from the e-mail address that the confirmation has originated from the supplier.

**Paying suppliers by cash:** note that items or services paid for by cash unfortunately **do not meet our audit trail requirements**. As such they are not eligible for grant and must be excluded from the Project Completion form.

**Paying suppliers by credit card:** payments made to suppliers by credit card will only be eligible for grant if the card is registered to the business and not a private individual. Any items paid for using a personal credit card must be excluded from your Project Completion form.

**Multiple payments made to suppliers in a single transaction:** where a number of supplier invoices have been paid in a single transaction, a BACS list, copies of invoices or a similar breakdown of payments must be provided to confirm that the invoice(s) included in the Project Completion Form have been paid. Note that hand-written invoices or receipts suggesting payment has been received are not sufficient proof of payment and must be accompanied by bank statement evidence.

**Changes to project costs:** if your project costs are lower than anticipated in your grant application, this is the value you will be able to claim. However, the grant payment cannot be increased beyond your original grant award in the event that your project costs are higher than you originally expected.

**Payment:** Once a grant claim is approved and the Grant Acceptance Form has been completed and returned, payment is usually made by BACS transfer direct to the applicant's bank account within 15 working days of claim approval.

## **F. OTHER CONSIDERATIONS**

**Subsidy control** – This grant falls under the UK Government's obligations relating to subsidy control as set out in the EU-UK Trade and Cooperation Agreement, which can limit the amount of such aid per recipient.

Before we can issue a formal offer for the proposed EAV grant, we need you to confirm that you are able to receive the EAV grant by way of Minimal financial assistance without exceeding the £315, 000 threshold for Minimal financial assistance specified in Section 36(1) of the Subsidy Control Act 2022 in the application period.

Any previous awards of Minimal financial assistance count toward the threshold. Comparable types of financial assistance are also relevant. Relevant types of financial assistance may include:



- Subsidy provided under the Services of Public Economic Interest Assistance provisions under section 38 of the Subsidy Control Act 2022;
- Subsidy provided under the exception for small amounts of financial assistance in Article 364 of the UK-EU Trade and Cooperation Agreement signed on 30 December 2020;
- Aid exempt under the following European Commission Regulations:
  - (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid;
  - (EU) No 1408/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the agriculture sector;
  - (EU) No 717/2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the fishery and aquaculture sector.

If you have received any previous MFA subsidies and/or comparable types of financial assistance, then this should be clearly stated in the application.

Further information on Subsidy Control is available at:

- <https://www.gov.scot/publications/state-aid-guidance/>
- <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities/technical-guidance-on-the-uks-international-subsidy-control-commitments>

**Monitoring** – North Lanarkshire Council are required to report on key outputs and benefits arising from grants awarded under the Energy Audit Voucher grant. Successful applicants will be contacted 12 months after completion to determine their feedback on the value of the Energy Audit Voucher scheme.

## **G. FURTHER INFORMATION**

For more information on the Energy Audit Voucher funding scheme contact [EnergyAuditVoucher@northlan.gov.uk](mailto:EnergyAuditVoucher@northlan.gov.uk) and for all other support available to North Lanarkshire businesses please contact either North Lanarkshire Council Enterprise Development Team on [BusinessSupport@northlan.gov.uk](mailto:BusinessSupport@northlan.gov.uk) or Business Gateway Lanarkshire on 01698 756956.

Please also visit the North Lanarkshire Council website:

[www.northlanarkshire.gov.uk/business](http://www.northlanarkshire.gov.uk/business)