

Net Zero Fund FAQs Draft

The FAQs document is separated into three sections:

1. FAQs for the Project Development (revenue) part of the Fund
2. FAQs for the Project Delivery (capital) part of the Fund
3. General FAQs concerning strategy and technicalities

Each section, provides responses to questions around eligibility and process.

1. FAQs for the Project Development (revenue) part of the Fund

Eligibility Questions

Who is eligible to apply?

Grants are available to public and private sector bodies operating within York and North Yorkshire, who are wanting to develop local net zero projects for communal or public benefit. Bodies include:

- Local Authorities and other public sector organisations
- Community Groups
- Charities
- Businesses

Could universities lead a project development proposal?

Yes, universities are able to lead a project, but any activity needs to be based in York and North Yorkshire.

Can a consortium of partners apply to the Fund?

Yes, you can take a consortium approach. You will need to nominate a lead organisation in your application form. Each of the partners will need to be clearly identified in the application, the relationship between them and description of what their role in the project is. There also needs to be a clear explanation of how funds will flow from the lead applicant to consortium partners.

What are the main criteria for an application to the Net Zero Fund?

Any projects submitted to the Net Zero Fund must meet the gateway criteria:

- Support net zero
- Provide communal or public benefit
- Evidence the rationale for public sector intervention
- Be delivered and contracted funding drawn down by 31st March 2025
- Must be located in York and North Yorkshire

Applications will also be assessed against the following criteria:

- 1. Regional Strategic Fit** Contribute towards the strategic priorities within York & North Yorkshire's Routemap to Carbon Negative, as outlined on the previous page. These strategic priorities are set out across the region's high-emitting sectors of Power, Heat & Buildings, Transport, Business & Industry, Land Use, Agriculture & Marine. Projects must support the delivery of at least one strategic priority. The full document can be found [here](#).
- 2. Local Strategic Fit** Show evidence of local support including alignment with Local Authority Climate Change Strategies (i.e. York Climate Change Strategy, North Yorkshire Council's Climate Change work), Local Area Energy Plans and planning policy.
- 3. Impact** The future/long-term project should lead to substantial impacts, including: Greenhouse Gas (GHG) Emissions reduction or sequestration; low carbon energy generation; economic and social benefits (e.g. creation of high quality jobs, community wealth building). Assessment Criteria - Project Development
- 4. Risks** Consider all risks and identify mitigating actions.

5. Deliverability Be deliverable with a clear plan, capacity, expertise and additional funding (where required) in place to deliver the proposed project within the timescales of the fund.

6. Need for Intervention Projects must address a market failure and provide a clear rationale why the project would not otherwise be delivered

What types of activities can be funded?

The funding is for revenue expenditure only, and can fund a range of interventions that support net zero project development up to, and including, full business case stage. Eligible revenue expenditure includes:

- Project scoping
- Community engagement
- Feasibility studies
- Business case development

Can the fund be used for more than one type of activity?

Yes, the project could include more than one type of activity. For example, the project could include project scoping and community engagement to support the development of a project.

What qualifies as communal or public benefit?

Communal or public benefit means that the project must have a positive benefit to the public, and/or multiple organisations. Examples of this include:

- A feasibility study for a community energy project that will provide energy for a number of households, community buildings and businesses.
- Project scoping and community engagement for a sustainable transport scheme.
- A feasibility study for Solar PV on a business park with multiple business buy-in.

Is there a maximum or minimum amount available per project?

There is no set maximum amount per project – however, the total amount of money available for revenue spend is £1 million.

There is no set minimum amount needed for an application to the revenue stream.

Is the fund looking to support a wide range of projects across all five strategic priorities - or simply to focus on those that are likely to offer the greatest overall carbon savings?

There is no allocated amount of funding for each priority. Projects will be assessed based upon the assessment criteria set out in the prospectus.

Is work on any local authority building (for example, schools, leisure centres, community halls, or highway depots) of public/community benefit?

This is dependent on the proposed project and type of building. Any proposed project focused on a local authority owned building must identify a clear community or wider public benefit.

Process Questions

When will the funding awards be announced?

Please note, timelines are currently indicative and may be subject to change. Applications will be assessed and prioritised in March 2023, with applicants notified by the end of the March 2023. However, funding cannot be issued until a Combined Authority for York and North Yorkshire has been established. It is anticipated that funding agreements will be issued in December 2023.

Can work be done prior to the funding being approved and/or drawn down or does it need to wait until the funding has been approved?

Eligible expenditure will only be claimable back to the start of the Combined Authority (expected to be established Nov/Dec 2023) – applicants won't be able to retrospectively claim costs prior to the establishment of the Combined Authority because no legal entity was in place.

Also, applicants need to be careful about starting projects in advance because it could negate the business case argument for the funding.

What should I do if I need help with my application?

If you require support with your application, please get in touch via enquiries@ynylep.com and we may be able to provide advice and guidance, depending on the nature of your query.

Is there a limit to the number of applications an individual can submit to this fund?

No, applicants can submit multiple applications. However, they should consider whether these are appropriate and eligible for the fund, based on the criteria set out in the prospectus.

How do I submit my application?

You must complete an application form and return this no later than noon on Monday 6th February 2023 to the following email address, enquiries@ynylep.com

If you have any further questions, please email enquiries@ynylep.com

2. FAQs for the Project Delivery (capital) part of the Fund

Eligibility Questions

Who is eligible to apply?

Grants are available to public and private sector bodies operating within York and North Yorkshire, who are wanting to deliver local net zero projects for communal or public benefit (subject to the production of a strong and compliant Business Case).

Bodies include:

- Local Authorities and other public sector organisations
- Community Groups
- Charities
- Businesses

Can a consortium of partners apply to the Fund?

Yes, you can take a consortium approach. You will need to nominate a lead organisation in your application form. Each of the partners will need to be clearly identified in the application, the relationship between them and description of what their role in the project is. There also needs to be a clear explanation of how funds will flow from the lead applicant to consortium partners.

Could universities lead the delivery of a project?

Yes, universities are able to lead a project, but any activity needs to be based in York and North Yorkshire.

What types of activities can be funded?

The funding is for capital expenditure only, and can fund a range of interventions that unlock the delivery of net zero projects that otherwise would not happen.

Eligible capital expenditure could be:

- Installation of renewable energy generation
- Grid connection
- On site infrastructure
- Low carbon equipment/machinery
- Capacity to support any of the capital delivery activity detailed above where it is directly attributable to the creation or maintenance of a capital asset.

What qualifies as communal or public benefit?

Communal or public benefit means that the project must have a positive benefit to the public, and/or multiple organisations. Examples of this include:

- A community energy project that will provide energy for a number of households, community buildings and businesses.
- A sustainable transport scheme that will service a community.
- A Solar PV installation on a business park with multiple businesses utilising the energy.

What is the maximum available grant?

There is no maximum limit to the amount that can be applied for although it should be noted that there is a total of £6m available within the fund. The minimum application level is £250,000.

Is work on any local authority building (for example, schools, leisure centres, community halls, or highway depots) of public/community benefit?

This is dependent on the proposed project and type of building. Any proposed project focused on a local authority owned building must identify a clear community or wider public benefit.

Process Questions

When will the funding awards be announced?

Please note, timelines are currently indicative and may be subject to change. Applications will be assessed and prioritised in March 2023, with applicants notified by the end of the March 2023. Successful applicants will be invited to submit a full business case by the 31st May 2023. However, funding cannot be issued until a Combined Authority for York and North Yorkshire has been established. It is anticipated that funding agreements will be issued in December 2023.

Does acceptance to the Net Zero Fund Project Delivery pipeline mean money is ring-fenced for my scheme?

No. Acceptance to the pipeline offers no guarantee of funding. As outlined in the prospectus, applicants should note that this process is being run at risk in order to maximise the preparedness of projects to deliver by March 2025.

Can work be done prior to the funding being approved and/or drawn down or does it need to wait until the funding has been approved?

Eligible expenditure will only be claimable back to the start of the Combined Authority (expected to be Nov/Dec 2023) – applicants won't be able to retrospectively claim costs prior to the establishment of the CA because no legal entity was in place.

Do you anticipate the business case process being quite technically complex? If so, will there be any funding support for this process, or can the revenue component of the funding be applied retrospectively?

If your project is shortlisted, you will be invited to submit a full business case. Advice and guidance will be provided to applicants to develop their schemes to produce high quality, compliant business cases. However, there will not be any funding available to support the applicant develop a full business case. As there is a short time window to develop the full business case and project delivery must be completed by the end of March 2025, it is expected that the prioritised projects will be fully scoped and have already undertaken feasibility work.

All full business cases submitted will be subject to full due diligence and appraisal. This will be conducted using the principles of HM Treasury Green Book's Five Cases approach, examining the Strategic, Economic, Commercial, Financial and Management cases for intervention.

If the project requires further development work, it is recommended that the applicant applies to the project development (revenue) strand of the fund instead.

A common issue is the changing nature of build prices, so even a few months can mean a significant shift in capital costs for a project. Can projects that secure funding be reassessed in terms of levels of support where delivery costs have changed?

Projects must submit latest, known cost estimates as part of the business case. Prices are probably at their peak now so probably likely to be ballpark to completion. We cannot build in contingencies to funding just in case. Applicants will be asked to cover any cost overruns as part of the business case submission.

What should I do if I need help with my application?

If you require support with your application, please get in touch via enquiries@ynylep.com and we may be able to provide advice and guidance, depending on the nature of your query.

Is there a limit to the number of applications an individual can submit to this fund?

No, applicants can submit multiple applications. However, they should consider whether these are appropriate and eligible for the fund, based on the criteria set out in the prospectus. As part of

the full business case, we would test the capacity of an organisation to handle multiple applications as part of the Management Case.

How do I submit my application?

You must complete an EoI form and return this no later than noon on Monday 6th February 2023 to the following email address, enquiries@ynylep.com

If you have any further questions, please email enquiries@ynylep.com

3. General FAQs concerning strategy and technicalities

General Questions

Where can I find the Routemap to Carbon Negative document?

The Routemap is available on Y&NY LEP's website [here](#).

Do you have in-sector contributions to York and North Yorkshire emissions and which you want to tackle first on your journey to net zero?

To support the development of York and North Yorkshire's Routemap to Carbon Negative, a study was commissioned to develop a series of decarbonisation pathways across high-emitting sectors. The Carbon Abatements Pathway study can be found [here](#). This research provided a critical part of the evidence base for Y&NY's Routemap to Carbon Negative, which sets out the region's scale of ambition, strategic priorities and key actions to be delivered between 2022 – 2027 to enable Y&NY to reach net zero by 2034.

The largest barrier to any of our projects currently are grid constraints, and timeline constraints for any required upgrades, which greatly impact on when we can actually install generation on a medium scale onwards. Is there any strategy to encourage National Grid and Northern Powergrid to aid these generation projects and get them over the line?

This is a national issue, and Y&NY's Routemap to Carbon Negative does include actions to influencing government policy to overcome this critical issue. Y&NY LEP are proactively working with the North East & Yorkshire Net Zero Hub and BEIS to escalate grid constraint issues within the region.

For a private business, what kind of projects would fall in the communal or public benefit category?

These projects could be a partnership approach between a private business and another organisation, such as a community group or CIC, or a group of businesses working on a proposal together, which would deliver the communal benefit needed. Projects such as industrial symbiosis, or a decarbonisation plan for a business park, would fit with the scheme. For private businesses applying, it will need to be ensured that projects do not contravene public subsidy control measures. At Full Business Case application stage, all applicants will be required to obtain and submit a full UK subsidy control regime assessment provided by a solicitor.

As a business, we are looking into investing in energy efficiency measures, such as solar panels and intelligent systems. Would we be eligible for the support, even though this would not provide a communal or public benefit?

Unfortunately, without being able to demonstrate a communal or public benefit, your project will not meet the criteria to be funded through the Net-Zero Fund.

Could I apply to this fund to cover the charge to become ISO14001-certified or apply to become a B-Corp?

The purpose of the Net Zero Fund is to support the development and delivery of net zero projects. All applications must also be able to demonstrate that they will have a communal or public benefit. From the information provided in the question, it is unlikely that a certification for ISO14001 or to become a B-Corp would meet these requirements.

Are there any other funds or support that a private business proposal may be better-suited to?

There is decarbonisation support for businesses being developed through the UK Shared Prosperity Fund, please get in touch for further details: enquiries@ynylep.com