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1. Introduction

1.1 About this document

This document requests submissions for investment from the Climate Emergency Fund (CEF). It describes what the CEF will fund, the levels of funding available, and who is eligible to apply. It also provides headline guidance on the submission process, the appraisal and approval process together with the criteria that will be used to assess projects.

1.2 The Climate Emergency Fund

The Council has established the CEF to support low carbon¹ projects and programmes.

This dedicated capital funding will be used to support a range of priorities linked to reducing carbon emissions. In addition to traditional value for money considerations, these investments will also be considered in terms of which offer the best carbon return on investment, to ensure that activities are appropriately prioritised. Furthermore, there is not a requirement that this expenditure should only be used to fund 'invest to save' projects; funded projects may exclusively deliver carbon benefits. This must be added value above business as usual, and there is an

¹ "Carbon" is used as a proxy, widely understood term for carbon-dioxide equivalent emissions. "Carbon" therefore should be read as including other greenhouse gases.

expectation that low-carbon priorities must be built into business cases from the start, rather than the CEF acting as a top-up.

This first request for projects will remain open until 18 August 2023 or until all available funding has been allocated, whichever is sooner. The Council may choose at any time to withdraw, modify or extend the call and will periodically publish the progress it has made in allocating the funding. If all funding has been allocated, as far as possible, applications will be considered against subsequent calls.

The aim is to provide regular funding opportunities to create a pipeline of community projects that are deliverable and make a significant impact on the climate emergency.

It is always preferable to make a single submission based on complete information than to have the submission returned for further elaboration. Complete does not mean certain; it means that the sponsor is aware of the options/variables/future choices and is able to describe them. The CEF Investment team will provide advice and support to sponsors in respect of the readiness of any submission.

The Investment team is keen to engage with sponsors early and welcomes a discussion about projects that may meet its investment objectives but are not ready to submit a funding request under this call. The Investment team will help identify future funding schemes.

1.3 Eligibility criteria

You can apply if you represent a Town or Parish Council, a voluntary organisation, community group, small charity or other not-for-profit-organisation. Examples of eligible recipients include:

- ✓ Voluntary groups
- ✓ Community groups
- ✓ Charities and not-for-profit organisations
- ✓ Faith and belief groups for the benefit of the wider community
- ✓ Schools and education units for the benefit of the wider community
- ✓ “Friends of...” organisations
- ✓ Parish or town councils

Applicants must send the following supporting documents with their applications:

- A constitution, standing orders, articles of association or similar
- Bank account details and statements (*payments cannot be made to individuals*)

Where appropriate additional supporting documentation will be required to be submitted with your application before it is accepted, the Investment Team will let you know if this is the case:

- Equal opportunities policy and/or equality and diversity policy
- A user protection policy if working with children and / or vulnerable adults

The Council will engage with the LEP and SMEs to review the support available to small businesses to decarbonise and may include this in future funding tranches.

The Council will not seek to duplicate existing support.

1.4 Funding available within this round

The Council is inviting community bids of £10,000 or more, all proposals will be evaluated on their merits.

1.5 How to apply

Step 1:

Pre-application check – **all applicants:**

- Does your project provide a response to the Climate Emergency and can the carbon benefits be quantified? This could include a measurable reduction in energy usage, reduced transport emissions, sequestered carbon, or enabling a switch to low carbon energy sources.

If you are applying on behalf of a voluntary or community sector organisation:

- Does your group have a constitution?
- Does your group have a bank account?

If the answer is **yes** to the questions relevant to your organisation, **then please move to step 2**

Step 2:

Applicants are required to complete the submission form set out in Appendix 1 of this document. Completed submissions with any supporting documentation should be emailed to:

Climatechange@cheshirewestandchester.gov.uk

Step 3:

Bids will be evaluated via the process set out in section 4. Once evaluated against the Climate Emergency metrics, all capital schemes will need to follow the Council's usual capital governance process for inclusion in the Capital Programme, as set out in the Capital Strategy. Capital projects must be supported by robust business cases before they have approval to incur expenditure.

1.6 Deadline for responses

The deadline for responses is the close of the Investment Call on 18 August 23. The Investment Team requests that sponsors only submit submissions when such submissions are suitably developed to allow for outline assessment and can demonstrate deliverability. The Investment Team will be happy to advise potential sponsors on the readiness of submissions.

1.7 Deadline for development

The Investment team requires projects to be **capable of concluding by March 2025**. Projects unable to meet this deadline should engage with the Investment team to understand the likely availability of future funding sources and the Investment Team may consider at its sole discretion an extension in the expected start date.

2. What the CEF will support

2.1 What we can fund:

Projects that tackle the Climate Emergency by delivering tangible, quantifiable carbon benefits. Examples include but are not limited to:

- Renewable energy projects
- Energy efficiency projects
- Heat pump projects
- Zero or low carbon transport
- Waste reduction
- Natural capital/natural environment projects

Schemes including tree and woodland planting

There are additional funds, managed by Cheshire West and Chester Council and the Mersey Forest Team for schemes that include tree and woodland planting as part of a mosaic of habitat. You can get further information on what funds might be available, or what other resources, such as free trees or simply design advice the Forest Team can provide by contacting: mail@merseyforest.org.uk

Trees and new woodland are a key part of the Council's climate response plan and we encourage schemes that have been well thought through, consider management in the long term and increase tree cover as part of The Mersey Forest Plan 'more from trees'.

2.2 What we cannot fund:

- Anything that does not respond to the Climate Emergency
- Ongoing revenue or maintenance costs
- Any costs incurred when putting together an application.
- Loans or interest payments
- Anything party political, including supporting political organisations
- Anything solely for religious purposes
- Lobbying against Council policy
- Anything that will bring the Council into disrepute
- Anything contrary to the Council's financial regulations or Council policies
- Anything illegal
- Anything which is met by a Schools Pupil Premium Strategy

- Any organisations planning to use funding to hand out separate grants to other people or organisations

2.3 Fund objectives:

The Investment team's objective with the CEF is to:

- Deliver a high carbon reduction return on investment.
- Deliver carbon benefits as quickly as possible, recognising that the longer we wait, the more challenging this issue becomes.
- Use a proportion of the funding to provide community-level schemes, recognising that these schemes may not offer equivalent carbon return on investment when compared to larger schemes.
- Where possible, seek to increase the longevity of the fund by supporting projects which deliver income to the fund and/or the wider Council, though this is not a requirement for funding.

The objective is to prioritise and fund those projects that best meet our objectives. There is no funding target or limit by theme and those projects that pass through the investment process with the highest impact will be supported.

Avoidance of duplication

There are an active programme of investment funds administered by various bodies. The Investment team will engage with project sponsors to prevent overlapping or competing projects from proceeding under CEF. The Investment team may direct projects towards other funding and/or identify opportunities to combine programmes. Project sponsors whose scheme may relate to another program or opportunity are encouraged to engage early with the Investment team to understand how best to proceed.

3. Investment available

3.1 Investment structures

The Investment team is open to making investment in various forms appropriate to the project. This could be in the form of non-repayable grants or interest-bearing loans as appropriate. Allocations will be at the minimum level necessary to secure the desired outcomes.

Following initial approval of a submission for further consideration, the Investment team will discuss and agree with sponsors the proposed investment structure.

3.2 Investment call opening date

This call is open to submissions from 11 July 2023.

3.3 Proportion of funding

The Investment team is not setting any specific requirement for match funding. However, sponsors should note:

- submissions will be evaluated on the basis, among other things, of the amount of overall investment the CEF contribution achieves (leverage)
- any funding granted to external organisations will need to be compliant with State Aid regulations, where applicable.

3.4 Minimum level of investment

The minimum level of capital investment which will be considered under this call is £10,000 for community-led bids, at the discretion of the Investment Team.

3.5 Maximum level of investment

The Investment team has not set a specific maximum investment for a single project beyond the available funding envelope set out earlier.

3.6 Costs

Sponsors will be required to meet their own costs in developing submissions to the CEF.

3.7 Inclusive growth and social value

The Investment team expects all projects to consider their potential to generate social impact and inclusive growth (the idea that local people should benefit to the extent reasonably achievable). The Investment team will engage with each project sponsor to understand, at the outline and concept stages, their current position and work with them to develop an inclusive growth action plan as their project progresses to towards final submission. All else being equal, projects with better inclusive growth and social impact credentials are more likely to receive funding.

4. Submission and assessment

4.1 Investment process

This section describes the CEF investment process. Project sponsors may refer to this section, and to accompanying appendices, to understand the Investment team's process in greater detail.

4.2 Outline submission form

Outline submissions should be completed using the submission form set out in Appendix 1.

Completed submissions together with any supporting information should be emailed to: climatechange@cheshirewestandchester.gov.uk

Sponsors are reminded that a key element of the assessment will be the deliverability of the project. Whilst it is recognised that at initial submission stage, further work is likely to be required – sponsors are requested not to make a submission until they are ready to do so. Support from the Investment team is available to assist in this regard.

Sponsors are invited to identify in any application the information which they consider to be commercially confidential and the Investment team will treat such information accordingly. However, this cannot override the Council's statutory obligations.

4.3 How submissions will be evaluated

Outline submissions are evaluated against the themes and actions established in the approved Climate Emergency Response Plan², prioritising deliverability (overall and within investment call timescales), strategic fit, public value and outputs.

When recommending an application progress to formal capital governance, there are a number of considerations the Investment team will take into account:

- Delivering greenhouse gas reduction benefits
- Compliance with financial regulations
- Compliance with all legal requirements
- Achieving best value
- Ensuring transparency, openness, non-discrimination and fair competition
- Demonstrating probity, consistency, accountability and integrity
- Supporting the Council's corporate vision and Play Your Part outcomes framework
- Capital projects - When considering support for capital projects (fixed items) or equipment, applicants are advised to check whether any planning permission or other authority is required for the project.

² <https://www.cheshirewestandchester.gov.uk/your-council/councillors-and-committees/the-climate-emergency/the-climate-emergency.aspx>

All applications will be assessed against the following weightings using the scoring criteria detailed below. The total prioritisation score for the project is simply the sum of the scores of the different criteria. All scores are out of 100. The higher the prioritisation score, the higher priority the project is for investment via CEF.

Area:

- Strategic fit – 25 per cent
 - This is linked to alignment with the Council Plan³ and Climate Emergency Response Plan, which can be found on the Council's website.⁴
- Outputs – 25 per cent
 - This is linked to the delivery of the outcomes referenced in 4.3.
- Value for money – 15 per cent
 - This is based on the extent of the outputs compared to the cost of the scheme.
- Deliverability – 35 per cent
 - This is based on the quality and extent of project planning to demonstrate the feasibility of project delivery, through mechanisms such as risk recognition and mitigation.

Score:

- **0:** Failure to respond or irrelevant information which fails to meet the requirement
- **2:** Response is unsatisfactory and partially meets the requirement
- **3:** Response is acceptable and meets the minimum requirement
- **4:** Response is good - better than merely acceptable
- **5:** Response is excellent, exceeds the requirement and gives added value

Please note that we may use the investment process to compare competing submissions and select those that best meet our objectives. Competing submissions are those that offer comparable benefits across the same sector and/or geography. For example, should we receive multiple bids to support development in a geographical area, we may use the process to generate the best offer for a project and in so doing progress the one that offers best value for money.

Once evaluated against the considerations set out above, all capital schemes will need to follow the Council's usual capital governance process for inclusion in the Capital Programme. Capital projects must be supported by robust business cases before they have approval to incur expenditure. Such approval will be sought at

³ <https://www.cheshirewestandchester.gov.uk/your-council/policies-and-performance/council-plans-and-strategies/council-plan/council-plan.aspx>

⁴ <https://www.cheshirewestandchester.gov.uk/your-council/councillors-and-committees/the-climate-emergency/the-climate-emergency.aspx>

regular intervals throughout the financial year, in line with the timing of successful applications.

5. Further details

6.1 Pre-submission consultation

The Investment team is happy to undertake early consultation with potential sponsors regarding their potential submissions.

Such consultation shall be on an informal basis only and any support and advice given shall not commit the Investment team to any specific course of action. Information provided during consultation will be considered by the Investment team as commercially confidential, although such consideration cannot override its statutory obligations.

6.2 Contact details

Project leads seeking informal discussions in respect of their sponsors can contact any member of the Investment team:

Contact details are provided below:

George Ablett, Energy Sector Specialist
George.Ablett@cheshirewestandchester.gov.uk

Paul Croxford, Senior Manager, Financial Resilience and Commercial Investment:
Paul.Croxford@cheshirewestandchester.gov.uk

Will Pearson, Climate Change Manager:
Will.pearson@cheshirewestandchester.gov.uk

Appendix 1: Outline submission for support from the Climate Emergency Fund (CEF)

Please complete the Appendix 1 template with the information requested. The Investment team will use the information, and may request additional information, to prepare an outline submission for your project. You should demonstrate how your project is aligned to the Council Plan.

The Investment team welcomes concise submissions that use lists, tables and bullet points to relay key information. Dependent of the stage of project development, you may not have precise information; please provide the most accurate information you can, specifying the source and highlighting where you have made assumptions.

Please flag any commercially confidential information.

Applicants must send the following supporting documents with their applications:

- A constitution, standing orders, articles of association or similar
- Bank account details and statements (payments cannot be made to individuals)