

LoCASE 2 – The business journey & the required paperwork

This table summarises how an SME might go through the LoCASE programme, which partner does what at each stage and what paperwork we have to produce to show how we've assisted each SME:

Stage	Who	Paperwork	Forms
1. Referral in to ESCC	Anyone	Completed EQ	On-line (Register LoCASE)
2. Send on to Avieco	ESCC	Completed EQ	Example completed EQ:  EQ Blank PDF 2021 (005).pdf
3. Avieco contacts the SME to discuss their needs	Avieco	Completed 'needs assessment form'. NB: not all boxes need to be completed!	 Annex 2 - SME Needs Assessment & Energy
4. Avieco carry out an energy audit for the SME, IF identified as necessary and useful for applying for a grant	Avieco	Prepare an energy audit report	
5. The SME decides whether to submit a grant application	SME	n/a	n/a
6. Avieco assists the SME to complete a grant application	Avieco	<p>1. Number – unique SME LoCASE Reference Number. 3OR20P04312/ESCC/LOCASE/xxxx. The last 4 numbers are generated by Avieco. The EQ form must be signed on-line by the SME & counter-signed by Avieco.</p> <p>2. Compliance Check 1 – Avieco to check eligibility has been completed and confirmed.</p> <p>3. EQ Form – Signed by SME and Countersigned by Partner Organisation.</p> <p>4. Companies Check – Companies House Check Document or relevant documents for Charities, Sole Traders, Partnerships etc (no form, usually it's a link to Companies House). See below for further details.</p> <p>5. Accounts – All applicants will require 3 years accounts or as many years as available (provided by the SME. No template form to complete).</p> <p>6. Needs Assessment form – Completed and wet signature from SME (ie. print, sign, scan & return to Avieco).</p> <p>7. Energy audit report – if it's agreed that it's necessary & useful for the business. NOT essential.</p>	 EQ Blank PDF 2021 (005).pdf  Annex 2 - SME Needs Assessment & Energy  Annex 3 - Grant Application Form Jul2  Annex 4 - Grant Application Form Guide  Annex 2b - Carbon Capture Template Jul2  COMPLIANCE CHECK - CG1 - COMPANY N/A

		<p>8. Application Form – Completed and Signed & dated with Wet Signature by SME.</p> <p>9. Quotes – At least 2 Quotes for each item with Chosen Quote(s) Highlighted and costs split into Supply and Labour (no template form to complete).</p> <p>10. Energy Savings – Carbon capture spreadsheet listing the savings in Carbon and Costs clearly shown.</p> <p>11. Other – Any other information that may be relevant such as if previous grant received.</p>	
7. The LoCASE grant panel considers the application	Panel members	n/a	
8. If approved, Thurrock send out a grant agreement, which requires the SME to spend the grant within 3 months.	Thurrock	Grant agreement	 Annex 10b - Funding Agreement (Thurrock)
9. Evidence of measures implemented provided (invoices, photos, paperwork)	Thurrock	1. OAR, signed by the SME. 2. C34, signed by the SME.	In LoCASE we had to get each SME to sign:  Annex 25 - OAR Form Apr17v2.pdf  Annex 30 - C34 Standard Form - Estin

Further information to note

1. **Eligibility:** not all SMEs are eligible for support, because they can get support through other EU funding routes. The compliance check form included in the table above sets out which sectors aren't eligible (see here):



Annex 1 - List of Eligible Expenditure Jt



COMPLIANCE CHECK
- CG1 - COMPANY N/A

Charities & community groups are eligible, as long as they have a trading arm (ie. they have a business account and can show that they buy and sell stuff). For example, a café in a community hall or a community sports centre.

2. **Evidence required:**
 - a. sole traders / partnerships: need to supply a bank statement, PL insurance, Unique Taxpayer Reference number (for sole traders only), Partnership Agreement.

- b. Charities: proof of trading, which should show in their accounts, evidence of charity status (from: [Search the charity register - GOV.UK \(www.gov.uk\)](http://www.gov.uk)).
3. Value of grant funding available:
- a. LoCASE offers up to 40% of the total cost of a project.
 - b. The minimum grant is £1,000, which means that, at 40% of the total costs, the minimum that an SME has to spend to apply for a grant is £2,500.
 - c. The usual maximum grant is £5,000, but SMEs can get a grant of up to £10,000 if the project delivers 2 tonnes of CO₂e savings for every £1,000 of grant over £5,000 over and above a minimum of 10 tonnes of CO₂e. I.e:
 - i. Up to 10 tonnes of CO₂e = a maximum grant of £5K.
 - ii. 12 tonnes = up to £6K.
 - iii. 14 tonnes = up to £7K etc, up to a maximum of £10K.

An SME can spend as much as they want. Eg. their total project could cost £100,000 and only apply for £5,000 from LoCASE.

4. Match funding from SMEs: businesses can provide the remaining 60% of the costs from a range of sources (eg. bank loan, their profits etc). BUT, they must always pay for the full cost of the carbon reduction measures first and then apply for the grant. This means that they have to find the money up front, which can be a challenge for some of them.
5. SMEs that received support from LoCASE 1: all SMEs that we supported in LoCASE 1 can apply for another grant from LoCASE 2. But the grant must be for something completely different (eg. they can't have received a grant for energy efficient lighting in LoCASE 1 and apply for more lighting in LoCASE 2, but they could apply for insulation, a new boiler, solar PV etc etc).
6. Eligible expenditure: all measures to cut carbon expenditure are eligible for grant support, except for EV vehicles and EV charge points, as SMEs can apply for funding for these under other programmes (see: [Low-emission vehicles eligible for a plug-in grant - GOV.UK \(www.gov.uk\)](http://www.gov.uk) & [Grant schemes for electric vehicle charging infrastructure - GOV.UK \(www.gov.uk\)](http://www.gov.uk)).
7. New SMEs:

If they are a new company and have registered with Company House, then they should have a number which can be checked on Company House to evidence registered and an incorporation date. Or they can provide their application to register with Companies House.

If a sole trader or partnership, then bank statements in the business name evidencing paid invoices, Insurance policies (ie. public liability insurance, and employee insurance if they have employees) and draft accounts if available. If none of this is available then we'd have to look at other means of eligibility but that would be on an individual basis for that particular SME.

1 or 2 years of accounts if they don't have 3 years' worth.

8. New build: if an SME is building a new site or an extension to an existing site and wants to install energy-saving measures then we try to measure the carbon savings based on the SME choosing an energy efficient option over the non-energy efficient equivalent. For example,

with lighting we can compare LEDs with fluorescents currently permitted under Building Regs. A note on this, that when it's a new built/ nothing there at the moment, we exclude labour costs from the grant as no matter what the business chooses to instal they would incur installation costs anyway (eg. an electrician wouldn't cost more to install LED lighting instead of fluorescents).

9. A business that's based from home: We have to differentiate between the energy/carbon they use for their business from what they use for their private domestic usage. A rule of thumb here is to ask the business to check with their accountant how much energy they claim for their business. Some accountants will use 20% so we can assume that 20% of the overall energy use of the house is for business use. However, I would say that grants in this occasion could work if the business is in an outbuilding and not inside the house as it could be difficult to establish that the benefit of the grant is with the business. For example, if someone wants to install solar panels in their house, the reality is that the main benefit will be to the domestic usage. So we need to look at this on a case-by-case and we need to make sure that it's the business gaining from the grant.

10. An SME that's partially or fully owned by a parent company:

- 1) If the parent company is based in the UK then we need the company registration number for a check on company house, and all subsidiaries in the group.
- 2) Confirmation if any company in the group has had an ERDF grant in the last 3 years.

If the parent company is not registered on Company House then we will need to see:

- 1) Audited/unaudited accounts for last 3 years for all companies in the group
- 2) Evidence of trading – bank statement and invoice
- 3) Notification of how many employees work in each company within the group.