
Green Entrepreneurs Fund

Improvement and
Scrutiny Committee
5 February 2024



BACKGROUND

- Launched in March 2021 as a partnership between Derbyshire County Council (funding providers) and the University of Derby (delivery partner).
- Cabinet Report presented 11th February 2021 – Approved £2m including a £180,000 grant to the University of Derby to deliver the programme through a Service Level Agreement.
- Delivery of the programme 1/4/21 to 31/3/24
- A Capital and revenue fund supporting Derbyshire County Council's Carbon and Climate Reduction Manifesto.
- Designed to encourage solutions beyond the mainstream of current thinking.
- Comprises three strands to support businesses, communities and individuals to develop local energy sources and/or low carbon initiatives alongside reskilling and upskilling individuals to address the skills gap in the sector.

OUTPUTS AND OUTCOMES

- Demonstrator Fund – 4 – 6 Projects
- Small Grant Fund – 25 businesses supported with 6 to be new start businesses less than 12 months old
- Scholarship Fund - 67 Individuals supported

All activity is to support Derbyshire's Climate and Carbon Reduction Manifesto grant recipients are to be used as exemplars at a local, regional and national level.

ELIGIBILITY

- Be a small and medium sized enterprise (SME), sole trader, partnership, charities with a minimum of 50% income from trade, or formally constituted social enterprise or community partnership.
- Demonstrate a sound investment plan that will lead to a measurable reduction in carbon emissions, energy efficiency and/or alternative energy initiatives, within the project timescale.
- Demonstrator and small grants to save on average 500kg of carbon per £1,000 grant investment.
- Be located in Derbyshire for the benefit of Derbyshire communities – excluding Derby City Council boundaries.
- The project must not have commenced and will not be achievable in the timescales proposed without grant support.

STRAND 1: DEMONSTRATOR FUND

- £1.2 million was set aside for a small number of high-quality projects from entrepreneurs and businesses wanting to establish green, alternative energy, clean fuel or low carbon initiatives in Derbyshire.
- Priority was given to project applications that demonstrated game-changing propositions at both a local, regional and national level.
- Funding was available up to £200,000 per project.
- Grant intervention rate up to 40% (a higher-level intervention rate could be considered if an applicant demonstrates innovative proposals delivering high level outcomes).
- Capital and some revenue costs were supported.
- The Demonstrator Fund has now closed.

STRAND 1: DEMONSTRATOR FUND - OUTCOMES

- The original target for this strand was 4 – 6 projects. This has been achieved with 7 projects (1 project has since withdrawn)
- This target has been achieved below the original £1,200,000 with an actual spend of £897,863
- Due to the complexity, time to complete demonstrator projects and the approaching closing date of the programme the decision was made to reallocate the balance.
- Estimated reduction in CO2 of 748,172 kg

STRAND 2: SMALL GRANT FUND

£500,000 – capital and revenue

- Grants of £6,000 - £20,000 capital and revenue funding
- Grant intervention rate up to 40% with a minimum project spend of £15,000.
- Funding can support projects where the organisation is on a net-zero pathway
- Criteria was updated to fund `mainstream` low carbon investment such as solar panels/ground source heat pumps/air source heat pumps filling the gap left by DE-Carbonise scheme concluding
- Funding applications will be prioritised and assessed against the following criteria:
 - Impact in terms of tonnes of carbon saved
 - Replicability to other locations to share best practice methods of working
 - Likelihood of success, based on previous delivery (e.g., prototypes, small-scale pilots, independent assessment)
 - Value for Money of grant invested

STRAND 2: SMALL GRANT FUND - OUTCOMES

- Due to the higher than anticipated demand for this scheme the allocation has been increased.
- Demand has increased due to the end of DE-Carbonise scheme and no replacement readily available.
- Awarded to date including due diligence £645,805.
- Plus £66,755 within the current pipeline and invited to submit full application
- Total if all awarded £726,205
- 51 Small Grants (including 4 EOIs) overachieved against the original target of 25
- Estimated reduction in CO2 of 795,917 kg (excluding those in EOI)

STRAND 3: SCHOLARSHIP FUND

- £100,000 was allocated to support individuals to retrain with skills required within the green economy not supported by other funding streams.
- A maximum of £1,500 was available per person.
- The fund was designed to enable individuals (19+) to obtain the skills and qualifications required in low carbon technologies that contribute to a zero-carbon economy to change careers, enter self-employment or progress in their current job.
- There has been 47 scholarships at a total cost of £37,721.21 averaging £838.50 per application
- Although missed the original target there was a better-than-expected cost per person.
- The scholarship fund has now closed

Current financial position

Funding strand	Allocation	Pipeline - invited to submit full application	In Appraisal/for Board consideration	In Appraisal - scheme of delegation	Awarded to date (including due diligence)	Total - if all awarded	Funding available
Small Grants	£500,000	£66,755		£13,645	£645,805	£726,205	-£226,205
Demonstrator Grants	£1,200,000	£0	£0		£897,863	£897,863	£302,137
Scholarship Grants	£100,000	£0	£0		£38,626	£38,626	£61,374
Total	£1,800,000	£66,755	£0	£13,645	£1,582,294	£1,662,694	£137,306
							£137,306

LEARNING TO DATE

- The economy at present is leading to caution within the business community on investment.
- The change of the small grants criteria prompted an increase in demand for the strand. This filled the gap left by the DE-Carbonise scheme closure and no readily available replacement.
- There is a noticeable gap in coordinated grant funding towards low carbon investment such as solar panels/ground source heat pumps/air source heat pumps.
- Lead times for project development are on average 6 months plus in part due to difficulties in the supply chain and caution in investment
- The Scholarship scheme demand was slow throughout the time it was open with a noticeable slowdown in 2023.
- Average scholarship funds are lower than anticipated at £838 per person.
- There has been significant amounts of CO₂ saved through this scheme and a full assessment will be completed when the scheme closes.