



HM Government



# **Green Business Infrastructure & Grants**

## **Towns Fund Business Case**

**Clem Smith / Steve Sawyer**

# Aim

- **A business-facing, decarbonisation project to drive the net zero agenda for Crawley.**
- **Pillar 1:** £1 million allocated to providing **business grants** (below competition thresholds) for green tech small businesses and micro-enterprises.
- **Pillar 2:** £1 million will provide **green infrastructure** to existing business premises in Manor Royal Business District, under a special company arrangement known as the **Local Energy Community** (LEC).

# Objectives and Outcomes

- Help progress the drive for **Net Zero** in Crawley
- Invest in the **green technology business base** in Crawley and more competition.
- Incentivise more skilled **green jobs** for Crawley in this sector.
- Drive up **investment in new green technology**.
- Demonstrate a model for shared **reduction in energy costs for businesses**.
- **Complement other Towns Fund projects** (Innovation Centre, Invest in Skills, Green Homes Retrofitting) in support of decarbonisation in Crawley.
- (Crawley is in top 10 list of **best places to work for a small business** in the UK):  
<https://www.sussexexpress.co.uk/business/crawley-the-best-place-in-the-south-east-to-work-for-a-small-business-3561186>

# Outputs

- **Up to 25 business grants to green tech and decarbonising business.**

(Standard Towns Fund output: No. of enterprises receiving grants)

- **Up to 7 green tech start-ups**

(Standard output: # of potential entrepreneurs assisted to be enterprise ready)

- **Up to 75 green tech jobs created**

(Standard Towns Fund output: Number of jobs created)

- **100 green jobs safeguarded**

- **15 enterprises using high-quality, affordable / sustainable commercial spaces by 2025**

# Pillar 1 - Grants

- **Business Investment Grants**

- Up to the value of **£175k** per grant (50/50 match funding), for small businesses that will reside in Crawley for at least the next 5 years.
- Larger scale grants for already developed technology, which requires capital equipment investment to enable “scale up” with potential for future “grow on” to manufacturing.

- **Business Development Grants**

- Up to the value of **£50k**, to assist businesses to be able to prototype and demonstrate a new technology and to grow quickly.

- **Business Start-Up Grants**

- Small-scale grants up to £10k for green tech entrepreneurs ready to set up a business, with demonstrable evidence of a clear and robust business model.

# Grant Application Process

- **Business advisors** to be appointed by CBC will:
  - Help manage the business grants programme
  - Help provide assistance to grant applicants **draft compliant applications/bids**
  - Help with **initial evaluation/sift**, including professional review of company business plan
- **Internal Technical Team** within Crawley Borough Council:
  - To carry out **due diligence**. Clem Smith, S151 Finance Officer, Nigel Tidy (Towns Fund Programme Officer) and another officer from the Economic Development Team.
- Applications for investment grants over £100,000 would have to be reported to cabinet

# Grant Application – Draft Assessment Criteria

- **Small business** with proven track record of **business growth/performance/delivery**
- Level of return on the grant investment in terms of **numbers of jobs created / safeguarded and level of business growth.**
- Demonstration of **technical credibility of green-tech product** to be scaled up.
- Demonstrable ability to **apply the green-tech** products to end users engaged in the decarbonisation of building stock and infrastructure within Crawley.
- For Investment grants and development grants – a clear business plan showing how proposed grant investment is a **clear strategic fit** with overall **business growth plans**
- Location within **Crawley** for business expansion.

# Indicative Timeframe

- **April to October 2022** – Design of the Green infrastructure Business Grants Programme; Tender process for a Team of Business Advisors to help applicants prepare business cases for the grant applications.
- **November 2022 to April 2024** – Launch and delivery of potentially three rounds of calls for grant applications. Business grants implementation begins
- **April 2024** – Review progress for allocation of finance, take-up and outputs/outcomes.
- **April 2024 to March 2026** – Ongoing implementation of business grants investment in green technology businesses
- **January to March 2026** – Ex-post evaluation of impact of the Green Infrastructure Business Grants on jobs and business growth in the sector and the extent to which enhanced green business activity has driven down carbon emissions



# Finance

|                  | 22/23        | 23/24        | 24/25        | 25/26        |
|------------------|--------------|--------------|--------------|--------------|
| Pillar 1         | £100k        | £300k        | £300k        | £300k        |
| Pillar 2         | £200k        | £500k        | £300k        | £0k          |
| <b>Total £2m</b> | <b>£200k</b> | <b>£600k</b> | <b>£600k</b> | <b>£600k</b> |

| Pillar 1   | Indicative Number of Grants | Indicative total value |
|--|-----------------------------|------------------------|
| Maximum value of a <b>business investment grant</b> : £175,000 | 2                           | £350k                  |
| Maximum value of a <b>business development grant</b> : £50,000 | 8                           | £400k                  |
| Maximum value of a <b>business start-up grant</b> : £10,000    | 18                          | £180k                  |
| Business Advisors  | --                          | £70k                   |
| <b>TOTAL:</b>  | <b>28</b>                   | <b>£1.0m</b>           |

# Local Energy Community (LEC) – Background & Governance

- A Local Energy Community (LEC) is a **group of local energy generators, users** and other stakeholders who work together to take greater **control of their energy supply and management** - making it cheaper, cleaner and more resilient
- The LEC will enable companies to **invest in clean energy technology together and share the benefits** by trading the electricity and heat they generate locally.
- Evidence drawn from 2016 and the EU-funded **BISEP** project.
- Work developed into a subsequent EU-funded project called **LECSea** (similar communities in Belgium, France and the Netherlands).
- The Manor Royal LEC will be set up as a **not-for-profit organisation**.
- The **Re-Energise Manor Royal Steering Group** will guide the development of the LEC's business plan and operational strategy.
- The development of the LEC up to its launch will be supported by West Sussex County Council and EU funding available through the LECSea project. The LEC will seek funding to support its activities post-launch until it is self-sustaining.

## Local Energy Community (LEC) Actions

- The LEC will invest in **renewable energy, initially solar PV**, to secure a long-term income for its continued operation.
- Provide services to LEC members with their own solar or other energy assets, for example, by **aggregating exported solar power** and obtaining a higher price than if sold individually.
- **Procure services collectively** and **delivering economies of scale** (e.g. shared operation and maintenance arrangements for renewable energy systems)
- Once established, the LEC may develop a broader service to members including:
- Trading energy between members (peer to peer), enabling Manor Royal businesses without renewable energy systems to benefit from local generation.

## LEC Timeline for Pillar 2

- **31 January 2022** – A first draft of the **LEC Business Plan**, setting out a proposal for how the community will operate, will be shared for comment with the Re-Energise Steering Group.
  - **30 April 2022** – Completion of a wider consultation to gather BID members' views on the LEC Business Plan.
  - **31 July 2022** – Approval of the LEC business plan by the Re-Energise Steering group.
  - **31 August 2022** – The Re-Energise Steering Group will secure resourcing for mobilisation.
  - **October 2022** – The LEC will be 'soft launched' to promote the opportunity to the business community.
  - **March 2023** – Installation of the first LEC renewable energy projects funded by the Towns Fund.
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- ReEnergise Steering Group: Chair: Tim Rose, Global Facilities Director, Elekta Ltd
  - 4D Data Centre, Anesys, B&CE, CGG, Doosan, Val Williams, Savills, Marchmont, CBC, etc.
  - LECSea Project Manager at West Sussex County Council (WSSCC)