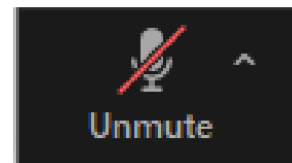


Unlocking Funding: R&D and Capital Grants for Decarbonisation



Tim O'Callaghan
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Please ensure that your Mic is Off. We will be Recording the session.



Supporting organisations, places and people transition to net zero

GHGs



Electric Places
ACCELERATING THE TRANSITION

ACTION

Opportunity

CO₂

Housing

Transport

Biodiversity

Mitigation

Energy

Industry

Just Transition

Adaptation

Agriculture

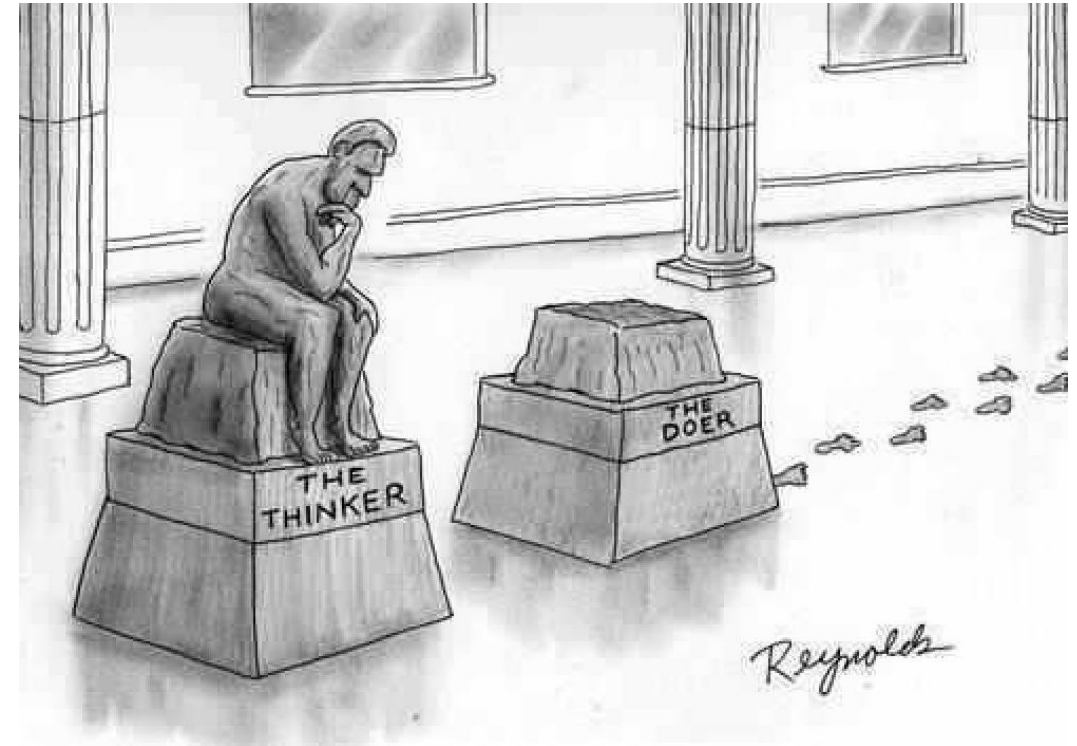
Behaviour Change

Electric Places (Electric Corby CIC)



- Not for profit, social enterprise
- Over a decade delivering expert advice, support, and grant access
- Self-funded through innovative R&D and contract work
- >£22M for places, businesses residents

Carbon reduction Strategy & Action





Unlocking Funding: R&D and Capital Grants for Decarbonisation

The Climate Crisis

- One of the most profound challenges of our times
- Businesses are increasingly seeking sustainable solutions.

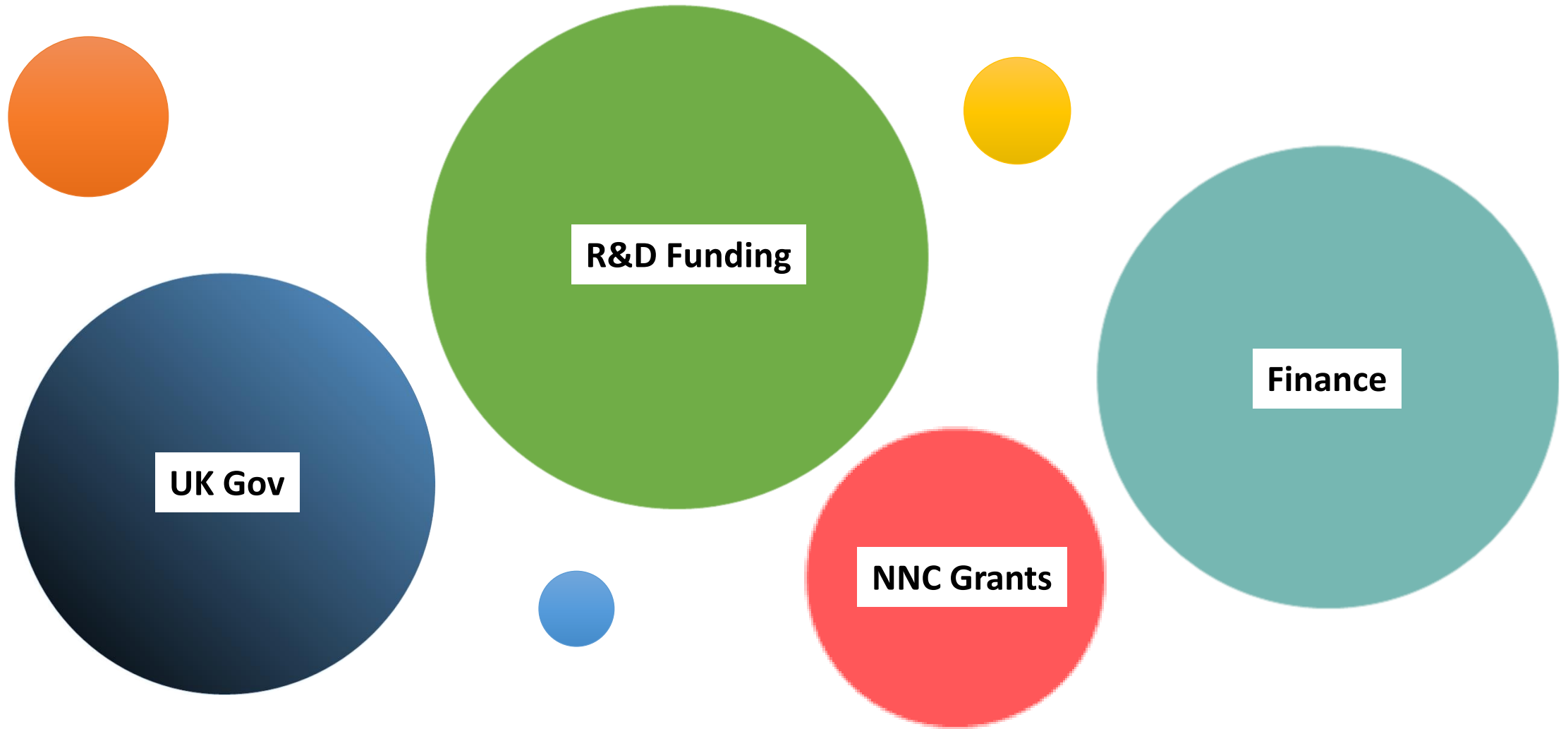
Benefits of sustainability

- Efficiency savings
- Meet Consumer preference
- Meet Supplier demands
- Brand reputation benefits
- Long term value creation (resilience + adaptability)

We'll cover – funding types for SMEs , eligibility criteria, application process, case studies



Funding Options



Grants

UK Government Grants

- UK Government has committed almost £5 billion to help businesses reach net zero by 2050¹
- The **Find a Grant Service** helps SMEs find funding
- Keep an eye out as it is constantly being updated

<https://www.find-government-grants.service.gov.uk/>

 **GOV.UK** Find a grant

Search results

We've found **90** grants - open to private sector in the Midlands



¹ <https://www.gov.uk/guidance/find-funding-to-help-your-business-become-greener#:~:text=Almost%20%C2%A35%20billion%20of,net%20zero%20emissions%20by%202050.>

UK Government Grants

	Plug-in Van and Truck Grant	Electric vehicle infrastructure grant for staff and fleets	Workplace Charging Scheme
What is it?	<ul style="list-style-type: none">• Help bridge the price gap between ULEV and diesel vans/HGVs	<ul style="list-style-type: none">• 75% of the cost of the EV charger installation. Max £15,000	<ul style="list-style-type: none">• 75% of the cost of the EV charger installation. Max £14,000
Value	<ul style="list-style-type: none">• £2,500 to £25,000<ul style="list-style-type: none">• Small vans up to £2,500• Large vans up to £5,000• Small trucks up to £16,000• Large trucks up to £25,000	<ul style="list-style-type: none">• Up to £350 per socket• Up to £500 per parking space enabled with supporting infrastructure• Up to 5 grants across 5 sites	<ul style="list-style-type: none">• £350 per socket• Up to 40 sockets across all sites
Timelines	<ul style="list-style-type: none">• Closes: 31 March 2025	<ul style="list-style-type: none">• Closes: 31 March 2026	<ul style="list-style-type: none">• Closes: 31 March 2026
Who's it for?	<ul style="list-style-type: none">• Everyone	<ul style="list-style-type: none">• SMEs	<ul style="list-style-type: none">• All businesses
How to Apply	<ul style="list-style-type: none">• Available directly from the dealer• No application process.	<ul style="list-style-type: none">• Create an OZEV portal account• Installer will claim grant after works completed.	<ul style="list-style-type: none">• Apply via the WCS form• You get a voucher and installer deducts cost from final invoice

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UK Government Grants

Boiler Upgrade Scheme (BUS)	
What is it?	<ul style="list-style-type: none">• Grants up to £7,500 to encourage transition to low carbon heating systems
Value	<ul style="list-style-type: none">• £7,500 off the cost and installation of ASHP and GSHPs• £5,000 off the cost and installation of a biomass boiler
Timelines	<ul style="list-style-type: none">• Closes: 31 December 2027
Who's it for?	<ul style="list-style-type: none">• Owners of small non-domestic buildings
How to Apply	<ul style="list-style-type: none">• Installer will discount the value of the grant from your invoice

Case study



Laser cutting company in Corby

- £1,500 grant funding from the Workplace Charging Scheme (2021)
- 2x Zappi 22 kW EV chargers

North Northamptonshire Council Grants

- NNC declared a Climate Emergency in 2021
- Committed to promoting business decarbonisation across NN
- Previous grant schemes, include:
 - **NNDecarb Grants**
 - **Green Transition Grants**
 - **Rural Business Grants**
- Funded **£100,000s** in sustainability projects
- Stay tuned for future grant announcements

[North Northamptonshire Council Business Support](#)



Case studies



Brightwayz – Kettering

- Active Travel experts and social enterprise
 - **£5,000 from NNDecarb grant**
- Installed solar PV and battery storage for the office



The Coffee Tavern – Oundle

- Oundle's Original Coffee Shop
 - **£3,341 from NNDecarb grant**
- Installed IR radiators and water heating

Finance

Finance options for SMEs

- **Debt vs. Asset Finance**

- **Debt** - Ideal for large, capital-intensive projects with stable cash flow.
- **Asset Finance** - Best for businesses that want to eventually own the LCT but need flexibility in payment (e.g. EV hire purchase).

- **Other Approaches**

- **Subscriptions** - Low upfront cost with high long-term flexibility (e.g. EV chargers)
- **Rent a Roof** - Optimal for solar PV with no upfront cost.
- **EPCs** - Suited for energy efficiency projects with performance-based payment structures.



Exploring Financing Options



[Business Finance Support Hub](#)

- Directory of finance, advice and support programmes for businesses curated by the Department for Business, & Trade



[Better Business Finance](#)

- Free and quick access to finance suppliers for UK businesses.



[First Enterprise](#)

- Offers government-backed loans and support to entrepreneurs, SMEs, and social enterprises unable to borrow from traditional lenders.



[The British Business Bank](#)

- Government-owned, connecting SMEs with banks, leasing companies, and venture capital funds.

Finance application checklist

- **Funding Amount & Purpose**
 - Clearly state how much you need and how you plan to use it
- **Financial Performance**
 - Provide filed accounts, management accounts, and recent bank statements
 - 2 years worth gives you most choice of lenders
- **Funding Security**
 - Identify available security (e.g., machinery, property)
 - Consider unsecured options if needed
- **Business Plan & Supporting Info**
 - Include financial metrics aligned with your funding purpose
- **Financial Forecasts**
 - Incorporate loan repayments into your projections



Social Enterprise & Environmental Funds

- **Application Process**

- Expression of Interest
- Energy Audit
- Complete and submit Application
- Due Diligence
- Final decision, acceptance, and payment



- **Common Eligibility Criteria**

- Investments between £2k - £200k (a % may be as a grant)
- Term: 1 to 25 years
- May need to be an incorporated business
- Regional requirements may apply (e.g., Midlands)
- Must own the building or have a long-term lease
- Must be an SME/Charity
- Business often must have a direct social mission
- May need to have been declined by a mainstream bank



Finance options for SMEs

Financing Option	Examples	Benefits	Challenges	Risks	Costs	Good For
Debt Financing	<ul style="list-style-type: none"> • Bank Loans • Green Credit Lines • Philanthropic Loans 	<ul style="list-style-type: none"> • Immediate capital • Lower-interest rates <ul style="list-style-type: none"> • Predictable repayments • Tax incentives 	<ul style="list-style-type: none"> • May need good credit • Fixed repayments 	<ul style="list-style-type: none"> • Financial strain • Interest rate risk 	<ul style="list-style-type: none"> • Interest and fees • Interest rates: 4% to 17%, depending on creditworthiness and loan term 	Large LCT projects (EV fleets, solar panels)
Asset Finance	<ul style="list-style-type: none"> • Hire Purchase • Leasing <p><i>i.e. Options to own after final payment</i></p>	<ul style="list-style-type: none"> • Eventual ownership • No upfront payment <ul style="list-style-type: none"> • Tax incentives • Leasing flexibility 	<ul style="list-style-type: none"> • Higher long-term cost 	<ul style="list-style-type: none"> • Asset depreciation • Early termination penalties 	<ul style="list-style-type: none"> • Monthly payments • Maintenance • HP & leasing overall costs 10% to 20% & 20% to 30% more expensive than cash 	High-cost LCTs (EVs, charging stations)
Subscriptions	<ul style="list-style-type: none"> • Software • Services <p><i>e.g. Energy management, EV charging</i></p>	<ul style="list-style-type: none"> • Low upfront cost • Latest technology • Flexible upgrades 	<ul style="list-style-type: none"> • Long-term costs • Service dependency 	<ul style="list-style-type: none"> • Service discontinuation <ul style="list-style-type: none"> • Price increases 	<ul style="list-style-type: none"> • Recurring fees • Usage charges 	Tech needing updates (EV Charging Networks, Energy Management Software)
Rent a Roof Schemes	<ul style="list-style-type: none"> • Solar Panels <p><i>Third-party installation and maintenance</i></p>	<ul style="list-style-type: none"> • No upfront cost • Energy savings • Low maintenance 	<ul style="list-style-type: none"> • Needs suitable roof • Long commitment <ul style="list-style-type: none"> • Potential Complications with Property Changes 	<ul style="list-style-type: none"> • Provider dependency • Energy price risks 	<ul style="list-style-type: none"> • Minimal cost • Shared savings • No benefit from SEG 	Solar PV (large roof spaces)
Energy Performance Contracts	<ul style="list-style-type: none"> • Building Upgrades Retrofits <p><i>e.g. Lighting, HVAC etc</i></p>	<ul style="list-style-type: none"> • Pay via savings • Professional management 	<ul style="list-style-type: none"> • Complex contracts <ul style="list-style-type: none"> • Long-term commitment 	<ul style="list-style-type: none"> • Underperformance • Measurement accuracy 	<ul style="list-style-type: none"> • Shared savings • Possible hidden fees 	- Efficiency upgrades (lighting, HVAC)

R&D Funding

R&D Funding

- Typically Government or EU grants
- Projects must be innovative
- Align your project with specific funding priorities
- Collaborations are often encouraged or required
- Match funding may be needed
- Prepare detailed project plans and budget outlines



R&D Funding

- **Innovate UK**

- UK-based businesses, focus on innovative projects.
- Online application, competitive selection, projects must align with specific funding calls.



- **EU Funding**

- **Horizon Europe**

- Online submission via the EU portal, requires consortia, multi-stage evaluation



- **Eurogia**

- Focus on low-carbon energy. Online submission industry-driven evaluations



- **South Midland Growth Hub**

- Focus on local economic growth and sustainability.
- Direct application via website, may require match funding.



R&D Tax Relief

- **Government incentive to encourage R&D**
 - SMEs can deduct 186% of qualifying R&D costs from profit for tax purposes
 - If your company is loss-making, it might be able to claim a cash credit instead
- **What is R&D?**
 - Seek to make an advance in science or tech
 - Overcome uncertainty (not easily solved by a professional)
 - Developing new/improved products, services, or processes
 - Must demonstrate how the work will lead to innovative outcomes



Summary

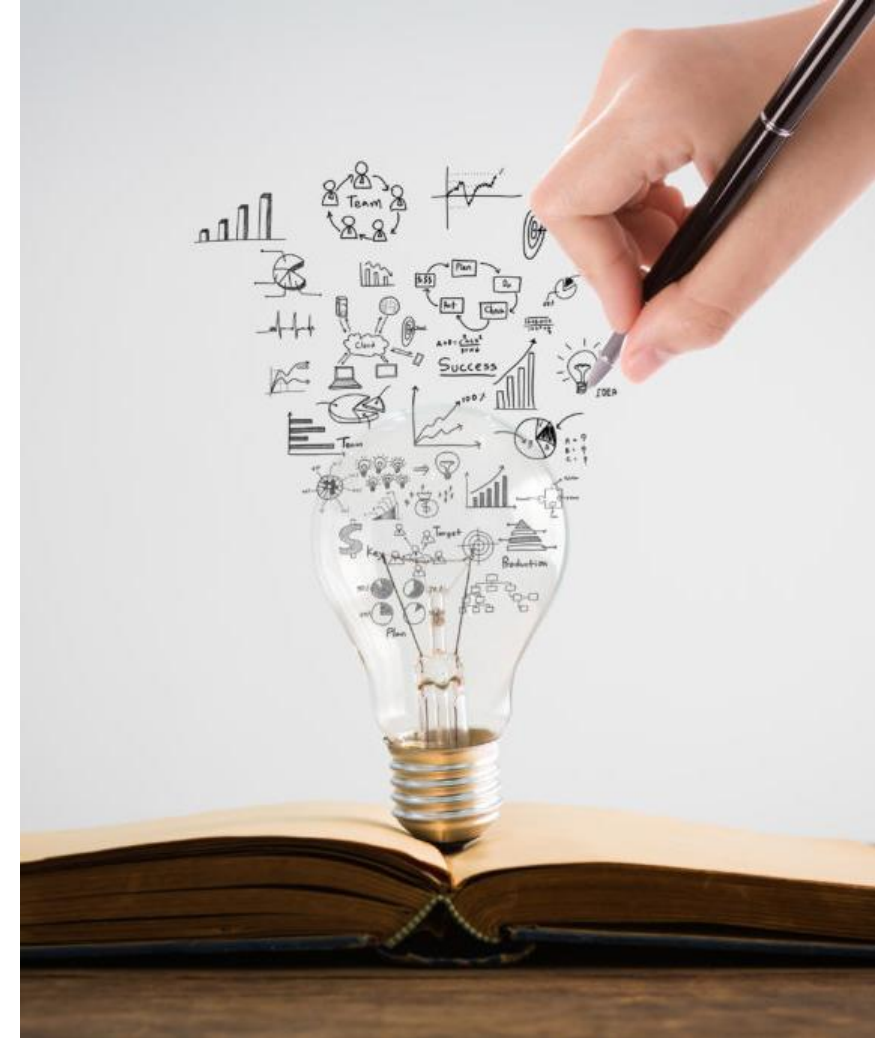
- **Align funding types with your carbon reduction goals**
 - *Explore grants, finance and innovation funds*
- **Explore eligibility for grants**
 - *Match funding may be required*
- **Evaluate your appetite for debt and associated risks**
- **If you qualify take advantage of tax incentives**
 - *Speak with your accountant*



Electric Places
ACCELERATING THE TRANSITION

Electric Places

We can assist with decarbonisation planning, identifying funding opportunities, and forming consortia.



Thank you

