

ZERO CARBON RUGELEY

WPX-D5: FOUNDATIONAL ASPECTS OF SLES

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FOUNDATIONAL ASPECTS OF FINANCING SMART LOCAL ENERGY SYSTEMS

The challenge of driving the right energy investment into communities

Abstract

Smart Local Energy Systems (SLES) need to be funded to allow their many co-benefits to be realized at a local level. To design a financing system that would achieve these outcomes, some foundational elements will need to be in place in order to identify, develop and operate the system. This report considers the role of the public sector in bringing these projects to reality. Roles include being a conduit for public funding in the forms of grants or direct investment in a place, through to de-risking initiatives by being a trusted partner with established, democratically accountable governance structures; putting the needs of the 'place' at the heart of its endeavors..

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Introduction

Public sector bodies, especially local and regional organisations, have a significant role to play in setting the conditions for Smart Local Energy Systems (SLES). This role has been recognised over time as the business models for SLES proliferate, nearly all require a variety of support measures to get traction and to achieve a sustainable scale.

There are a number of routes to provide this support, including large scale strategic partnerships involving multi-year procurement processes and complex legal arrangements (an example being [Bristol City Leap](#)). There are also lighter touch models where the primary actors are more locally based, could act in a more agile way and are arguably better placed to respond to the immediate needs of the community (an example being the work of [Energy Local](#) in creating accessible local energy markets). The former brings scale and resource to tackle large scale systematic investment, the latter, more reliance on the motivations of the convened partners aligning to deliver the outcomes required. Further discussion on the two approaches, which form part of a spectrum of initiatives can be found in the accompanying work on 'ZCR financial framework'¹.

Local and Regional Public Sector bodies are not the only organisations who bring the inherent value of 'place' to the SLES table. Community Energy groups are often even more motivated to realise the co-benefits of energy system investments in other areas of social value. They are often a trusted voice in the community and achieve much greater penetration of approach than a faceless corporation could hope to deliver. Historically, due to the complexity of financing such endeavours, Community Energy Projects often focused on single technology initiatives such as solar on community buildings and then use any surplus to fund other community activities such as winter warmth clinics. A discussion of such initiatives in Rugeley can be found here as an example of best practice of community action².

The proposed ZCR financial framework would also put community groups at the heart of the model, looking to scale up the advantages of this approach, adding capacity and resource that would be required to more complex multi-vector projects whilst retaining maximum value, both financial and social, for the place.

Foundational elements will need to be in place to allow this and other models of SLES financing to be successful. This document will discuss those elements, focusing on the role of the public sector to recognise the inherent value of place-based energy system investment.

Aims of document

This document is intended to be one of a number of materials to support the 'Zero Carbon Rugeley' project specifically on the matter of finance and investment into Smart Local Energy Systems (SLES). Energy Capital (part of WMCA) have been funded by Innovate UK to develop a finance and investment model for Zero Carbon Rugeley that is scalable and replicable.

¹ Link to ZCR Financial Framework.

² SSC report on community initiatives in ZCR

The aim of this document is to consider the role of the public sector in enabling some of the foundational elements needed for SLES initiatives to thrive.

Foundational aspects

1. Convene place-based partners	2. Set planning policy	3. Drive public funding	4. Send market signals/use levers to de-risk investment
<ul style="list-style-type: none"> • Whole system approach • Can take an infrastructure agnostic view for what is best for place including energy resilience, decarbonisation but also health, social and economic growth co-benefits • Local Area Energy Planning (LAEP) 	<ul style="list-style-type: none"> • Ensure planning policy promotes joined up initiatives • Ensure a future vision is allowed for in long term developments e.g requiring sufficient sub-station capacity • Utilise planning obligations such as section 106 and CIL into catalysing SLES 	<ul style="list-style-type: none"> • Grant funding although currently short term competitive tranches mean hard to stack • Invest directly in places but very limited resources 	<ul style="list-style-type: none"> • Lead by example with own assets e.g. public buildings, social housing, depot decarbonisation • Look to share assets such as grid connections to catalyse initiatives • Look to underwrite development risk in multi-party initiatives

1. Identifying opportunities and convening place based partners

Public bodies can play a pivotal role in identifying opportunities for strategic energy investment. This is best represented through the process of Local Area Energy Planning (LAEP³), which enables public bodies to ensure energy system investment is channelled into the areas it is most needed. The public sector is well placed to undertake this coordinating role, coming from an infrastructure agnostic position with no financial vested interest in the chosen solution and with a deep understanding of the function of a place and the needs of the people who live and work there.

There is an integration responsibility on the local authority here to realise a symbiotic relationship between sectors feeding into the process and benefitting from the outputs equally. By giving the public sector the role of conducting local area energy planning, zoning processes can be trialled and implemented in-line with the needs of an area.

Local Area Energy Planning (LAEP)

A data driven and whole energy system, evidence-based approach that sets out to identify the most effective route for the local area to contribute towards meeting the national net zero target, as well as meeting its local net zero target.

Local area energy planning provides a full whole-system view of energy infrastructure in an area, ranging from electricity and gas, through to broadband connectivity. Having this level of detailed system information enables the identification of zones which have particular investment needs e.g. grid reinforcement, waste heat opportunities etc., allowing investment to be channelled into these areas and collective action to be taken to remove barriers to investment and reduce risk. Local authorities are able to do this by taking advantage of powers they already have to establish Local Development Orders and produce Supplementary

Planning Guidance and working collectively to fill the gap where they lack specialist energy expertise to do this.

³ [Local Area Energy Planning – Energy Systems Catapult](#)

The local area energy planning process also creates an engagement mechanism between the infrastructure planners and providers and local authorities, to directly influence their investment plans and enable place-specific delivery, proven to be more financially advantageous than when a place-agnostic approach is taken⁴ (

By taking this whole systems approach to energy planning and giving the public sector a formal role in the process, it enables the right investment to be made in the right areas and helps the public sector to use the powers they have to reduce the risk and therefore the cost of providing infrastructure, ensuring that challenges are not considered in silos and the impact of decisions on the place and the people that live and work there are properly considered.

This is why the West Midlands Combined Authority is in the process of negotiating a devolution deal with Government that recognises the role of the public sector in relation to local area energy planning. Sharing energy expertise across the region through the Energy Capital partnership at the WMCA not only makes sense from a Local Authority perspective as it reduces the cost of obtaining this expertise, but also provides the energy sector with an initial single point of contact and an informed partner to work through, to ensure the information and data that is used to inform their business plans is as accurate and appropriate as possible.

2. Utilising spatial planning levers

Local Authorities are statutory planning authorities in England and have the ability to designate land for particular types of development and require certain standards of development to take place in an area. The use of planning powers to achieve the net zero ambitions of an area has varied geographically, but there are examples of where this has been done across the country in different ways. For SLES, it is important that energy assets and opportunities are considered as part of the plan making process, and the local area energy planning process would provide a valuable evidence base to inform local spatial plans, something that the current energy planning process does not do, as the future energy scenarios mechanism that is currently used, particularly for electrical network planning, lacks spatial analysis. For more information on the role of planning in supporting smart energy, see the RPTI Planning for Smart Energy research, July 2019.

There are also financial instruments that are spatial planning obligations such as Section 106 and Community Infrastructure Levy which could also be structured in a way to promote SLES activities⁵.

3. Driving public funding into place

Public sector bodies are already responsible for the delivery of domestic retrofit, public sector decarbonisation, heat networks, transport decarbonisation, levelling-up, skills (devolved) and have access to developmental and innovation funding (usually in partnership with another non-public organisation) available across a range of areas.

⁴ <https://www.ukri.org/wp-content/uploads/2022/03/IUK-090322-AcceleratingNetZeroDelivery-UnlockingBenefitsClimateActionUKCityRegions.pdf>

⁵ <https://www.gov.uk/guidance/planning-obligations>

Domestic retrofit funds are currently available (2022/23) to local authorities and social housing providers through the Social Housing Decarbonisation Fund (SHDF), Local Authority Delivery (LAD) and Home Upgrade Grants (HUG). These funds exist within a strict eligibility and delivery criteria which many local authorities are reporting as a challenge to meet. The Public Sector Decarbonisation Scheme is available to a range of public sector organisations, but similarly exists with strict eligibility and delivery criteria providing challenges to the delivering organisation and to the supply chain to meet demand.

Local authorities have also been given funding provision for transport and heat network development with the intention to de-risk early implementation. This provides the private sector with confidence to take on later stages of projects, particularly in the case of heat network delivery.

- **Short-termism**

Echoed across public bodies of every size and every type are the barriers that exist to driving public funding into smart local energy systems (SLES). The nature of many public funding streams is that the time frame for delivery is short, and the result is that you cannot optimise the best delivery pathway for long-term sustainability. Instead, you must opt for the quickest delivery mechanism to fit within the funding timeframe. There are a series of extensive drawbacks from this:

- Existing funding streams for some areas, particularly retrofit, result only a few hundred homes at a time being treated but are short-term and focused on a narrow set of objectives rather than addressing key barriers to market development.
 - Criteria are set nationally, rather than providing flexibility to respond to local needs and circumstances and without taking into consideration extra time that might be required to implement newer technologies (e.g Transport for West Midlands (TfWM) are decarbonising their fleet using hydrogen bus technology but working within the same project timescale as other established bus technologies)
 - Decisions need to be made to achieve delivery within a short timeframe resulting, in many cases, in inefficient decisions that may not lead to the best long-term outcome (e.g. public funding spend deadlines mean that retrofit or energy efficiency works may have to be delivered during the winter months causing significant disruption and resulting in negative public perception);
 - For areas such as retrofit funding, these short-timescales do not provide the market with the confidence to develop the necessary skills and supply chain, the result is a chronic shortage of skilled contractors to carry out necessary works
 - Bidding for funding from the various existing funding schemes is a drain on resources at both the local and central government level. The short-term nature of funding does not provide an incentive to the supply chain to invest long term and as a result capacity is very limited. Rather than achieving the intended improvements in efficiency, costs are increasing.
- **The Competitive Environment**

A further barrier to driving public sector funding is the competitive environment of fund bidding, similarly to the timeframe, this has been noted across organisations of all sizes and all types.

- The time taken to bid into these competitions is often extensive compared with the totals that can be won, taking valuable time away from delivery.

- The lack of certainty in the upcoming grant landscape also puts additional pressure onto already under resourced local authority climate and energy teams to respond to bid competitions and co-ordinate and deliver the applications taking vital resource away from delivery and long term strategy and planning.
- The competitive nature of the bids also creates an unhelpful environment that means that many often complementary local authority groups are having to compete with each other for the same pot of funding – this discourages local and regional collaboration meaning progress is piecemeal and development of standards is difficult.

This combination of short-term funding and competitive funding environments is increasingly calling for funding simplification from government across sectors ranging from transport through to skills.

Based on the development of the Single Commissioning Framework (SCF), developed in 2019 with an agreement between the then Ministry of Housing, Communities and Local Government (MHCLG) and WMCA, to establish a consistent, credible, and transparent process for funding decisions on housing and land schemes. The WMCA Single Commissioning Framework brings funds together (the remaining Brownfield Land and Property Development Fund - £50m; the extended Commercial Investment Fund - £104m; the Residential Investment Fund - £70m; the Housing Deal Land Fund - £100m) in one place to provide a single portal for developers and investors to access WMCA grant and investment funds for housing, land and property development. It forms a single set of criteria and governance systems that are applied to all applications for available devolved WMCA Housing, Land and Property Development funds, together with a consistent process and timelines for decision making.

Since then, the possibility of a Retrofit Commissioning Framework (RCF) has been explored, with submissions to government as part of the WMCA's Trailblazing Devolution Deal (2022). The aim of the Retrofit Commissioning Framework is to use government funding as leverage to: join up retrofit delivery across the region to achieve wider social and economic benefits, in particular impacts on health and household costs; address key system barriers; support the market in making retrofit commercially viable to help increase demand; support skills development and supply chain growth; secure levels of private investment several times greater than government funding; support government ambitions for net zero and levelling up. For the West Midlands this "fair share" would equate to ~7% of the remaining BEIS funding, based on ~7% of fuel poor homes in England being within the 7 WMCA constituent local authorities.

In the same way that the SCF and RCF can account for a "fair share" of central government funds, there are a handful of others which could be handled similarly. For example, levelling-up related funds could be further allocated across local authorities to minimise time spent bidding and maximise the time given to delivery.

To achieve the same funding simplification for smart local energy systems a governance structure needs to be developed that can coordinate funding across public and private finance, bringing it into one place to be available to local authorities and community groups. This governance structure needs further research into what will work most effectively, and at what scale the coordinating body should sit. Within the combined authority this is a current area of work where cross-sector development of a mechanism to simplify funding coming into place is being considered.

A crucial area of consideration is once funding has been brought into a place, what are the methods to distribute this effectively and to where it is most needed. This is where the role of local area energy planning is pivotal in ensuring funds are distributed and driven into the areas it is most needed. Local area energy planning will provide a full whole-system view of energy infrastructure in

an area ranging from electricity and gas, through to broadband connectivity. Having this level of detailed information allows the identification of zones which have particular investment needs, e.g., grid reinforcement, increased broadband connectivity etc. By taking this approach to fund designation it enables the right funds to be driven into the right areas, combined with understanding of wider energy infrastructure so problems are not considered in silo but in conjunction with other energy infrastructure. Further investigation is needed in this area to determine who, or what, will be most effective in this role with consideration that this may lead to a master developer role.

- **Multiple Fund Stacking**

By the nature of how most funds are designed it is not possible to stack them since they are on misaligned timescales, with often very rigid criteria that do not compliment symbiotic relationships with other funds. Several funds do provide opportunities to match fund with private finance, however there are poorly established mechanisms in which to leverage this private finance unless there are pre-existing relationships.

4. De-risking private sector investment

The holistic nature of SLES and the fact that its commercial viability relies on the multiple fund stacking mentioned makes it challenging for the private sector to start to participate.

Engagement with the private sector community (institutional investors, impact investors, retail banks, energy suppliers etc) has allowed us to determine a set of key requirements that help to de-risk SLES propositions:

Standardised contracts apportioning roles and responsibilities, key activities and holders of financial, technological and operational risk. Many SLES projects are in design and demonstrator phase, meaning that legal and contractual arrangements are not established enough to support risk free delivery. This means that early investors in SLES will have to spend considerable time and resource on the due-diligence process and will often not do so unless there is a:

Proven pipeline of investable propositions that can be aggregated to a scale that suits different investors. This relies on the establishment of:

Proven commercialised revenue streams. Of all the potential value streams that result from a SLES, some are fairly established commercially (such as revenue from electric vehicle charging) but most are still being proven to be commercially viable such as energy savings, revenues from domestic flexibility services and crucially the monetary value of the raft of socio-environmental benefits (e.g avoided hospital admissions for COPD, biodiversity net gain etc)

Long term **certainty in the grant funding** landscape as a key lever to underwrite and de-risk SLES projects for the private sector. Examples where this has been successful are the governments Contracts for Difference, and the capacity market.

Given this context, the public sector has a key role to play in addressing these by setting precedent, best practice and leading by example helping to create strong market confidence and therefore catalysing SLES.

- Using LAEP to aggregate decarbonisation opportunities in public sector owned land and buildings (including public buildings & social housing) and transport to act as a pipeline of projects and enable scale
 - Lead by example by using these publicly owned assets to set examples of best practise decarbonisation in a way that is SLES enabled (e.g roll out of smart enabled heat networks for public sector buildings, ensuring all new installs of low carbon technology is Automatic Asset Registered, promote smart metering initiatives)
- Developing the governance structure to underpin co-ordinated public and private funding and thus addressing development risk in multi-party initiatives
 - Using lessons from well established regional procurement frameworks as templates for legal and contractual agreements that would need to be in place
 - Taking lessons from other more established industries such as the construction industry which has well established precedent and contracting templates that help to apportion risk (e.g project finance contracting)
- Underwriting the riskier revenue streams of a SLES by:
 - Helping to address counterparty risk by agreeing to act as a long term customer to a SLES (for example as an energy off-taker)
 - Working with local Distribution Network Operators (DNOs) to create commercial certainty around local energy system benefits (e.g quantifying how much the existence of behind the meter generation & self-consumption would reduce the need for network reinforcement as we continue to electrify heat and transport)
 - Working to quantify the other socio-environmental benefits through other ongoing local energy and environment projects and translate them into monetary equivalents to enable better value for money from grants and leverage alternative sources of finance such as outcome and impact capital
 - Providing low cost loans (potentially sourced from Public Works Loans Board) such as business park energy investment to help address tenant risk and split incentive
- Address other barriers to delivery and scale practically such as looking to share grid connections to catalyse other complementary initiatives
- **Revolving loans backed by LAs**

Conclusion

It has been found that the role of the public sector is essential to successful place-making based on multiple factors. The public sector (in this instance local and combined authorities) is in a unique position where they possess the detailed local knowledge and pre-existing relationship with residents required to inform a SLES and make it successful. There are significant benefits to public sector inclusion where elements of infrastructure and social groups would be siloed otherwise, the combined authority bring additionality allowing areas to work outside of their defined local borders where opportunities may exist just outside. Additionally, much of the funding available is only accessible to public sector organisations, or it requires a public sector partner for private organisations to access.

For a SLES to be successful it needs to be tied into a strong governance structure which, by working with the public sector, a SLES would be able to inherit pre-existing structures proven to be successful in a place-based environment. Local and combined authorities will already have established



partnerships and relationships with local communities, organisations, and residents. By including the public sector in a SLES it is possible to seamlessly incorporate these established relationships, building a strong network of local vested interest and building the best vision of the area.

As the local planning authority (local authorities) the public sector are strongly positioned to provide the best holistic overview of the local area, spatial planning and current planning delivery, as well as the transport network for the area. The combined authority can elevate this with expertise on the strategic overview of the wider region, pulling in developments which are taking place extra-authority. This also evidences the significance of LAEP in establishing SLES, where the whole-system is accounted for the place, to carry out LAEP there is a local government requirement further emphasising the necessity of public sector involvement in SLES.

Lastly, the public sector has, and are in the process of broadening, several mechanisms to bring funding from several sources into one pot, e.g., the single commissioning framework, retrofit commissioning framework etc. These funding simplification mechanisms, when fully established, will provide the opportunity to stack funds more flexible. For a SLES this would allow more targeted investment with fewer rigid funding criteria enabling funding to be spent where is most appropriate for that SLES.

Appendix 1 – Public Grant Funding as at November 2022

Further collation of public funding opportunities can be found here: [Government Funding Collated.xlsx](#)

Technology specific public funding

Retrofit

There are a number of retrofit funds currently available, and with several iterations/rounds of these funds still planned.

Social Housing Decarbonisation Fund (SHDF)

The Social Housing Decarbonisation Fund (SHDF) was laid out in the 2019 Conservative Manifesto and committed £3.8bn over a 10-year period. SHDF is available to registered providers of social housing, including private and local authority providers. SHDF aims to upgrade a significant amount of social housing stock to an EPC rating of C, promising to deliver warm; energy efficient homes; reduce carbon emissions; tackle fuel poverty; support green jobs; develop the retrofit sector; improve the comfort, health, and well-being of social housing tenants.

[SHDF Wave 1](#) is currently being delivered and the goal was to see energy performance improvements in up to 20,000 social housing properties, reducing bills and carbon emissions. This followed on from the [SHDF Demonstrator](#) (£61m) which saw up to 2,000 homes be improved to at least EPC B and C, and around 1,200 local jobs supported.

Wave 1 closed for applications in October 2021 and will conclude delivery at the end of January 2023, this round had £160m available and followed a “worst first, fabric first, lowest regrets approach”. [Wave 2.1](#) opened for applications in September 2022 (deadline 18/11/2022) and will conclude delivery at the end of March 2025, this round has up to £800m available.

SHDF funds have been subject to “cost caps” through each wave so far, these are scaled to ensure that homes with the lowest EPC ratings can receive the most money in line with the “worst first” principle. The maximum value a registered provider can request is based on the starting EPC of the homes, and registered providers are expected to contribute at least a third of total eligible costs.

Local Authority Deliver (LAD)

The Local Authority Delivery (LAD) scheme was launched in August 2020, the scheme is worth £500m and was developed for energy efficiency and low carbon heating projects for low income households across England. The scheme is being delivered in phases with 1A and 1B concluding in August 2021 and March 2022 respectively, and Phase 2 concluded in August 2022.

LAD Phase 1A was worth £74m, this was allocated to 55 projects which aimed to upgrade the energy efficiency of low-income households to over 100 authorities across all areas of England. Phase 1B was worth £126m and was allocated to 81 local authorities for delivery of

energy efficiency projects. The second phase of LAD was managed differently with £300m allocated between the five Net Zero Hubs.

Although the previous £500m was reached across Phase 1A, 1B and 2, a third phase of LAD was announced with a refined scope to support low income households heat by mains gas. The value of LAD3 is £280m and delivery concludes in March 2023.

Home Upgrade Grant (HUG)

The Home Upgrade Grant (HUG) scheme was developed with the aim of providing energy efficiency upgrades and low-carbon heating to low-income households living off-gas in England to tackle fuel poverty and meet net zero. HUG was initially allocated £150m which was allocated to local authorities in 2021-2022 for delivery by March 2023. Due to the higher costs of upgrading off-gas grid households and the need to install energy efficiency measures and low carbon heating, HUG has a greater higher than average cost expectation than those expected from LAD.

The government have announced a second round of HUG which has had £700m made available for energy efficiency and clean heating upgrades in owner occupied and private rented sector fuel-power homes off the gas grid. HUG2 funding will be awarded from early 2023 with delivery concluding at the end of March 2025. To support local authorities in rural settings 60% of HUG2 funding will be ringfenced for them, with the remaining 40% available for both rural and urban local authorities.

Energy Company Obligation (ECO)

The Energy Company Obligation (ECO) is a government energy efficiency scheme in Great Britain to help reduce carbon emissions and tackle fuel poverty. Since its inception in April 2013 there have been four rounds (ECO1, ECO2, ECO2t and ECO3) with ECO3 concluding in March 2022 and ECO4 coming into effect until March 2026.

The ECO4 policy has been formed entirely from one obligation, the Home Heating Cost Reduction Obligation (HHCRO), where suppliers are obligated to promote measures which improve the ability of low income, fuel poor and vulnerable households to heat their homes.

To be qualify for ECO you must be a homeowner, landlord or private tenant; in receipt of income-related benefits; or have an electric storage heater.

Public Sector Decarbonisation Scheme (PSDS)

The Public Sector Decarbonisation Scheme (PSDS) provides grants for public sector bodies to fund heat decarbonisation and energy efficiency measures. It is available for public sector bodies in England, including central government departments and non-departmental public bodies, the NHS, schools, emergency services, further and higher education and local authorities.

Phase 1 of the PSDS provided £1b in grants over 2020/2021 and 2021/2022, aiming to support 30,000 jobs in the low carbon and energy efficiency sectors and reduce carbon emissions from the public sector. The second phase provided £75m of grant funding for the 2021/2022 financial year with a stronger focus on heat decarbonisation to deliver greater carbon emission reductions. The third phase of the PSDS had £1.425b of grant funding to be given over the financial years 2022/2023 to 2024/2025 with funding allocated in two parts, 3A (£780m) and 3B (£635m).

Heat Networks

Green Heat Network Fund (GHNF)

The Green Heat Network Fund (GHNF) is a 3 year £288m capital grant which is available for the development of new and existing low and zero-carbon heat networks (Round 3 is open until 25/11/22). The GHNF will support the commercialisation and construction of new low and zero carbon (LZC) heat networks (including the supply of cooling) and the retrofitting and expansion of existing heat networks. It aims to help develop and grow the heat network market and to address some of the challenges of decarbonising the UK's heat sector.

Heat Networks Delivery Unit (HNDU)

Heat networks will play a vital role in the decarbonisation of heat moving forward, and local authorities have a key role in making heat networks succeed. In 2013 the government set up the Heat Networks Delivery Unit (HNDU) in order to address the capacity and capability challenges which local authorities identified as barriers to deployment. Since 2013, HNDU has run eleven rounds of funding awarding £30m in total – currently round 12 is running (until 30/12/2022).

For Round 12 the organisations able to apply has been expanded to: registered social landlords, NHS Trusts, universities, other government departments and property developers – with the scope to support through the early stages of heat network development: techno-economic feasibility and detailed project development. The grant funding is provided to successful local authorities with eligible costs defined as externally commissioned consultancy costs for heat network development work. The HNDU funding comprises no more than 67% of eligible costs, with the exception of project management costs which may be fully funded by HNDU for public sector applicants and registered social landlords.

Transport

On-Street Residential Chargepoint Scheme (ORCS)

The On-Street Residential Chargepoint Scheme (ORCS) exists to support the vision of the UK to have one of the best electric vehicle (EV) infrastructure networks in the world. Local authorities across the UK have been invited to submit applications to ORCS to increase the availability of on-street chargepoints in residential streets where off-street parking is not available. ORCS gives local authorities access to grant funding that can be used to part-fund the procurement and installation of on-street EV chargepoint infrastructure for residential needs, in line with the minimum technical specifications.

£20m of funding has been allocated in 2022 to 2023 for the scheme, with funding available for 60% of eligible capital costs. Total funding provided will not exceed £7,500 per chargepoint unless electrical connection costs are exceptionally high – in these cases funding up to £13,000 may be provided.

City Region Sustainable Transport Settlements (CRSTS)

The City Region Sustainable Transport Settlements (CRSTS) programme is investing £5.7b (£1.05b for West Midlands) into local transport networks through the 5 year period 2022/23 to 2026/27 (financial year). The CRST programme intends to deliver transformational change through investment in public and sustainable transport infrastructure in some of England's

largest city regions, it is targeted at the following: driving growth and productivity, decarbonising transport and levelling up services and areas.

Non-technology specific public

Central Government Place-based Funding

Levelling-Up Fund

The Levelling-Up Fund is worth £4.8b and is available to all forms of local government, however bids must be made under the following conditions: MPs are expected to back one bid they view as a priority and the number of bids that a local authority can make relate to the number of MPs whose constituency lies wholly within that local authority area, where an MP's constituency crosses multiple local authorities one local authority should take responsibility as the lead bidder. While the fund is open to every area it is specifically intended to support investment in places where it can make the biggest difference, this includes ex-industrial areas, deprived towns and coastal communities. The aim of the fund is to contribute to the levelling-up agenda by investing in infrastructure that improves everyday life across the UK, including regenerating town centres and high streets, upgrading local transport, and investing in culture and heritage.

The first round of the fund ran during 2021-2022 and the second round of the fund will run until the end of the 2024-2025 financial year.

Community Ownership Fund

The Community Ownership Fund has £150m (match funding) available over 4 years (run until 2024/25) to support voluntary and community organisations from across the UK, they must have a viable plan for taking ownership of a community asset at risk and running it sustainably for the benefit of the community. The intention is that this will help support recovery, build opportunity, and empower communities to improve their local places.

Groups are able to apply for a blend of capital and revenue funding: capital funding can be used to purchase or lease the asset and pay for refurbishment costs (£250,000 match funded capital for eligible assets), revenue funding can be used to fund the running costs of the project (this does not need to be match funded).

UK Shared Prosperity Fund (UKSPF)

The UK Shared Prosperity Fund (UKSPF) will provide £2.6b of investment by March 2025. The fund is available to local authorities (it will be allocated) with the aim to help places across the country deliver enhanced outcomes, recognising that even the most affluent parts of the UK contain pockets of deprivation and need support. The UKSPF aims to deliver on each of the following objectives: boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging; spread opportunities and improve public services, especially in those places where they are weakest; restore a sense of community, local pride and belonging, especially in those places where they have been lost; and empower local leaders and communities, especially in those places lacking local agency.

Innovation Funding

Industrial Strategy Challenge Fund: Prospering from the Energy Revolution (ISCF: PfER)

The Industrial Strategy Challenge Fund (ISCF) aims to bring together world-leading research base with Britain's best business to transform how we live, work and move around. The fund has 15 themes which will receive shares of the government's £4.7b investment in R&D. The theme "Prospering from the Energy Revolution" (PfER) invested £102.5m to develop smart, clean energy systems and localised approaches that join up energy supply, storage and use with heat and transport. Funding for this expects you to carry out at least 90% of your project work in the UK and exploit the results here. It is expected that grant funding for each project will be £13m or higher, with total project costs running between £26m and £160m and projects lasting 24-26 months.

Net Zero Living: Pioneer Places

The Net Zero Living fund aims to develop detailed local plans for innovative approaches to unlock non-technical systemic barriers to the delivery of net zero targets. Plans must show how non-technical systematic barriers to rapidly accelerate progress to net zero targets in a defined place can be overcome. These plans must also explain how places, local businesses and communities can thrive through that transition with innovative technologies and solutions, and how the removal of barriers will enable innovative solutions to be adopted at scale and drive local economic growth.

The first phase of the competition is offering £50,000-£75,000 with later stages offering up to £8m per project match funded. To be able to lead a project your organisation must be either a UK local authority or UK registered business of any size, and you must collaborate with other UK registered organisations with a minimum of one local authority and one registered business.

Strategic Innovation Fund (SIF)

The Strategic Innovation Fund (SIF) has been designed to drive the innovation needed to transform gas and electricity networks for a low-carbon future, launched in 2021 it is expected to invest £450m by 2026. The SIF programme is designed to tap into the best of UK and international innovation, aiming to fund ambitious, innovative projects which can help shape the future of the energy networks and accelerate the transition to net zero, at lowest cost to consumers.