

## D2 Energy Efficiency

The project will offer 200 business grants; 100 for Derby City and 100 for Derby County. The Council will need to pay these grants to businesses and then claim them back through the University of Derby via quarterly project claims (submitted by the University as the Accountable Body)

The D2 Energy Efficiency project works in ERDF calendar years, and the allocation of grants has been planned in detail across the three year timeframe.

| Output           | 2016              |                   |                   |                   | 2017 |    |    |    | 2018 |    |    |    |
|------------------|-------------------|-------------------|-------------------|-------------------|------|----|----|----|------|----|----|----|
| Quarter          | Q1<br>Jan-<br>Mar | Q2<br>Apr-<br>Jun | Q3<br>Jul-<br>Sep | Q4<br>Oct-<br>Dec | Q1   | Q2 | Q3 | Q4 | Q1   | Q2 | Q3 | Q4 |
| Number of grants | 0                 | 0                 | 13                | 15                | 9    | 12 | 12 | 9  | 13   | 12 | 5  | 0  |

The number of grants to be covered in each of Derby City Council's financial years would be as follows:

- 2016/17, 37 grants over three quarters, averaging 12 grants per quarter
- 2017/18, 46 grants over four quarters, averaging 11.5 grants per quarter
- 2018/19, 17 grants over three quarters, averaging 5.5 grants per quarter

This allows for a six month run-in on the project to ensure systems and processes are ready and running smoothly; some grants could be moved forward into Q2 2016, which would spread the grants over all four quarters of the financial year. Some mop-up and wind-down time at the end of the project has also been allowed; again grant defrayal could run into these periods if necessary, spreading costs further.

Derbyshire County Council will be working to the same timeframe and bankrolling their 100 grants for the County in a similar fashion.

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The project budget for grants is £1,140,000, split equally between City and County. With the business contribution to the grants included (varying between 35% and 65%), the total amount for improvements is £2,282,000.

In order to offer a flexible approach for SMEs, rather than 'one size fits all', grants will be available for four different values, from £2,000 up to £15,000, each with a differing business contribution, as summarised in the table below.

In order to roughly apportion the £1,140,000 grant budget into 200 grants, this would equate to a mean grant value of £5,700. Then, to calculate an approximate grant cost for each year:

## Classification: OFFICIAL

- 2016/17, 37 grants over three quarters, averaging 12 grants per quarter = total cost of £210,900; £70,300 per quarter
- 2017/18, 46 grants over four quarters, averaging 11.5 grants per quarter = total cost of £262,200; £65,550 per quarter
- 2018/19, 17 grants over three quarters, averaging 5.5 grants per quarter = total cost of £96,900; £32,300 per quarter

| Grant Value (£) | No.        | Total value of grants (£) | Intervention rate % | Value of intervention (£, incl. match) | Total Value of interventions (£) | Matched Funding Leveraged from Private Sector (£) |
|-----------------|------------|---------------------------|---------------------|----------------------------------------|----------------------------------|---------------------------------------------------|
| 2,000.00        | 70         | 140,000.00                | 65                  | 3,076.92                               | 215,384.62                       | 75,384.62                                         |
| 5,000.00        | 80         | 400,000.00                | 50                  | 10,000.00                              | 800,000.00                       | 400,000.00                                        |
| 10,000.00       | 30         | 300,000.00                | 50                  | 20,000.00                              | 600,000.00                       | 300,000.00                                        |
| 15,000.00       | 20         | 300,000.00                | 45                  | 33,333.33                              | 666,666.67                       | 366,666.67                                        |
|                 | <b>200</b> | <b>1,140,000</b>          |                     |                                        | <b>2,282,051.28</b>              | <b>1,142,051.28</b>                               |