



SME Energy Improvement Grants

Guidance Document

Grants available

The London Borough of Tower Hamlets (the Council) through Tower Hamlets Energy is making available grants for 50% of the project costs for energy reduction projects. There are two funding streams available:

- If you are replacing a gas boiler with a form of electric heating (such as a heat pump) or installing a renewable energy technology (such as Solar Panels), you can apply for up to £10,000.
- For all other energy retrofit projects, such as lighting and replacement equipment you can apply for up to £5,000.

Any project that can demonstrate an energy reduction will be considered. Gas boilers are not eligible for funding.

This funding is available only to SMEs to carry out projects on their premises in Tower Hamlets.

Eligible Organisations

An organisation is eligible to receive a grant if they are a Small to Medium sized Enterprise (SME) by meeting all of the following criteria:

- Have no more than 250 employees;
- Annual turnover not in excess of £25m;
- And are not more than 25% owned by an entity which does not meet the criteria.

In addition the premises where the measures will be installed must be in Tower Hamlets. The premises must be a commercial premises, residential premises used for commercial purposes are not eligible.

If you have received a grant in a previous phase of this programme you are not eligible to apply for another grant from the £5,000 funding stream. However you are eligible to apply for a grant from the £10,000 funding stream to replace a gas boiler with a form of electric heating or install a renewable energy technology.

Eligible Projects

The following projects are eligible to receive funding;

- Energy reduction projects. For example lighting and heating upgrades, insulation and more efficient equipment.
- Renewable technologies
- Any project which can demonstrate that it will achieve acceptable energy savings will be considered.
- Gas boilers are not eligible for funding.

Completing the Application Form

To complete the application form you will need your gas and electricity bills for the last 12 months and a copy of the quote(s) you have chosen for the project.

If applicable you will need to provide written evidence that you have permission from your landlord to complete the project.

The application form requires you to provide the following information:

- Organisation contact details.
- Answers to the eligibility criteria set out above.
- Description of the project.
- Cost of the project, excluding VAT as we will not fund VAT.
- Amount of grant funding being requested.
- Gas and Electricity consumption for the last 12 months (as applicable for the project).
- Unit cost of gas and electricity the organisation pays.
- The estimated energy savings the project will generate.

Approval process

There will be a window for applications to be submitted to give SMEs across Tower Hamlets a fair opportunity to apply for a grant. Once this window has shut all applications will then be assessed.

Applications will be assessed by a Grants Panel on the following criteria;

1. **Energy/Carbon** – energy/carbon savings and their associated cost efficiency. Grants under the £5,000 grant scheme need to achieve a maximum cost per tonne of £2,850 per tonne. If applications are over this then the maximum grant that can be awarded will be adjusted to meet the cost per tonne of £2,850.
2. **Additionality** – it is essential that energy/carbon savings are truly additional and would not happen without the grant.
3. **Community Benefits** – other benefits for the community beyond energy/carbon savings will be seen as a plus by the Grants Panel. (e.g. job creation)

If you are successful in securing a grant you will be sent a Grant Award letter and Funding Agreement. This must be completed, signed and returned before the project can commence.

A Council Officer will visit the premises before and after the project completion to verify the project is carried out as stated in the application. This is to protect the Council from any fraudulent activities.

Payment of Grant

Once the project has been completed you must notify the Council and send a copy of the invoice, which must be addressed to the SME and match the quote provided in the application.

Once the verification visit has been completed and the Council is satisfied the project has been completed then the grant payment will be processed.

The grant will be paid to the SME on the application form and not the organisation that has carried out the works.

Terms and Conditions

The programme will only provide a grant for 50% of the project costs (excluding VAT) up to £10,000 or £5,000 depending on the funding stream being applied to. The SME will have to pay the remaining costs.

The SME is responsible for the completion of the project and the selected contractor, not the Council. It is the SMEs responsibility to ensure the contractor completes the works to a satisfactory standard. The Council is not liable for any issues that occur during or after the installation.

The SME is liable for any costs that occur for maintenance on the installation that may occur in the future after the project has been completed.

If the after the grant is approved the project changes or a different contractor is appointed then the Council must be informed of these changes and will then decide if the changes affect the grant funding.

The SME is responsible for securing all necessary permissions to install the works. This includes, if applicable, permission from your landlord to carry out the installation. The Council is not responsible for any repercussions that may occur as a result of the SME's failure to secure the necessary permissions.

Data and information collected in the application form will only be used for the purposes of processing the SME's application and the data will not be shared with any other parties or used for any other purposes.

If you have any questions regarding the programme please email:

TEnergy@towerhamlets.gov.uk