

<b>To:</b>	<b>Robin Betts, Cabinet Member for Housing, Environment and Economy</b>
<b>From:</b>	<b>Jeremy Whittaker, Economic Development and Special Projects Manager</b> <b>Luisa Marafon, Economic Development Officer</b>
<b>Director:</b>	<b>Damian Roberts, Chief Executive</b>

## **BRIEFING NOTE: EXECUTIVE - NON-KEY DECISION**

### **Green Business Grant Scheme Round 6 - 2026**

#### **Summary of Issue:**

This report provides information on delivering Round 6 of the Green Business Grant Scheme in early 2026, as part of the Business Rates Pool (Shared Growth Fund) Programme as approved by Cabinet in July 2025. Based on our findings from previous rounds of the initiative and given the current state of the economy, we are looking to amend the existing guidance notes to attract a greater level of interest and therefore a higher number of submissions to the scheme.

Proposed key changes to the guidance notes are: an increase in the grant intervention rate – from 40% to 50% - along with amendments which seek to further clarify the process for applicants.

#### **Recommendation:**

That the report **BE NOTED**.

That the amendments set out under Section 3 **BE AGREED**.

That plans for the delivery of Round 6 of the scheme **BE APPROVED**.

## **1 Background**

- 1.1 The scheme has been in effect since 2021 with a single round of grants being offered in each subsequent financial year. Typically, the grant process begins at the start of the financial year, giving applicants around 9 months to complete their project, submit their claim and receive funds before the end of the same financial year.
- 1.2 Rounds 1 (2021-2022) and 2 (2022-2023) of the scheme were funded via the Business Rates Pool Programme. All successive rounds of the scheme (Rounds 3, 4 and 5) were funded through the Government's UK Shared Prosperity Fund (UKSPF).

- 1.3 Take-up has generally been positive with a range of businesses in the borough benefiting from the scheme, from shops and farms to golf clubs and charitable organisations. The most common project being the purchase and installation of solar panels, with other projects involving the installation of EV charging points, conversion to air source heat pumps, updating lighting with more efficient LEDs, replacing windows and doors to improve insulation, and supporting innovative research and development.

## 2 Green Business Grant Scheme - Round 5

- 2.1 Round 5 of the Green Business Grant Scheme was launched on 3 April 2025 with the application deadline closing on 28 May 2025. Successful applicants have until mid-February 2026 to complete their projects and claim their grant funding. Whilst initial interest was very promising, this only resulted in seven applications being received. In total, five organisations out of the seven were awarded a grant, including one business that did not accept the grant offer. From discussions with some of the businesses that did not apply, the main reasons stated were:

- A) that the intervention rate (at 40%) meant finding 60% of the project cost was difficult for some businesses to do in the current economic climate. In addition, at the time there were more attractive business grant schemes available offering intervention rates of 50% and over.
- B) that in some instances it was challenging obtaining 3 quotes within the 8-week window that the funding call was open for.

- 2.2 Since Round 5 closed for applications, several other businesses have expressed their interest in the scheme, therefore it was decided there would be sufficient appeal to justify an additional round of grants in early 2026, especially given the number of grant funding schemes for business have started to reduce as the UK Shared Prosperity Fund programme is drawing to a close. This new round (Round 6) will be funded through the Business Rates Pool (Shared Growth Fund) Programme, which has an allocation of £50,000 towards the Green Business Grant Scheme.

**Table 1: Overview of Green Business Grant Scheme by round, including the current round which is ongoing**

Round	Year	Funding Pot	No. of grants	Grant funding allocated
1	2021-2022	Business Rates Pool	12	£54,349
2	2022-2023	Business Rates Pool	18	£79,075
3	2023-2024	UKSPF	8	£39,247
4	2024-2025	UKSPF	11	£45,447
5	2025-2026	UKSPF	4	£0*
Total:			53	£218,118

\* Figure to date as projects not yet completed. Forecast that the total spend for Round 5 will be just over £17,000

### **3. Green Business Grant Scheme Round 6 - Amended Guidance Notes**

- 3.1 The amended guidance notes are set out in **Annex 1**.
- 3.2 The main proposed change to the guidance notes is to increase the grant intervention rate from 40% to 50% in order to strike the right balance between making the scheme more attractive to applicants, whilst still ensuring they commit a good amount of their own resources towards their proposal.
- 3.3 Further proposed changes to the guidance notes reflect both a review undertaken by the Economic Regeneration team and the result of a recent internal audit of UKSPF-funded grant schemes. Whilst the findings of this audit were overwhelmingly positive, several measures were set out in the resulting action plan which aimed to ensure best practice. These are detailed below.
  - A) Additional information has been included to reflect improvements to the grant checking and scoring process that have made it more transparent.
  - B) Details have been added regarding a follow-up visit at the project site once works are successfully completed. Whilst this has been standard practice for the scheme since Round 1, this hasn't been expressly referenced in the guidance notes.
  - C) Further examples on what the grant must not be used for has been provided. This is to ensure that applications submitted do comprise eligible works that lead to a reduction in carbon emissions or improvements in energy efficiency.

### **4. Proposed Next Steps**

- 4.1 Subject to approval, the aim is to open Round 6 of Green Business Grants in January 2026.
- 4.2 Our Communications Team has been notified in advance about the potential of the scheme opening again to enable sufficient preparation time for messaging through social media channels. Updates to the relevant sections of the Council's website will also need to be made.
- 4.3 The Economic Regeneration Team will liaise with the IT Team to develop the online form that applicants use.
- 4.4 The scheme will be publicised through various channels including social media, subscribers to the monthly Business Bulletin, the Council's website, emails to Cabinet Members, and emails to businesses who have expressed interest in applying to the scheme. The aim would be to front-load our messaging to ensure as many businesses as possible are aware of the scheme early in the call for applications. This gives potential applicants more time to obtain the necessary quotes and information.

- 4.5 The scheme will be open for applications for a period of eight weeks, with applications being assessed once the deadline has passed.

## **5 Legal Advice**

- 5.1 The matters set out in this briefing note are considered routine or uncontroversial and a legal opinion has not been sought.

## **6 Financial and Value for Money implications**

- 6.1 There are limited financial and value for money implications for the council as the report relates to existing external funding. However, the use of Business Rates Pool (Shared Growth Fund) funding to support corporate priority projects has a positive impact on Council budgets.

## **7 Risk Assessment**

- 7.1 The recommendations in this report will help to support the delivery of the Economic Development Strategy 2023-2027 and the Climate Change Strategy 2020-2030. The process of applying to the scheme and claiming grant funding retrospectively has been designed to ensure that the risk of fraudulent claims is mitigated against.

## **8 Public Sector Equality Duty**

- 8.1 In delivering this programme, the Accountable Body will ensure that there is due regard to the need to achieve the objectives set out under s149 of the Equality Act 2021.

## **9 Consideration by Overview and Scrutiny**

- 9.1 We do not consider that this matter needs to be considered by O&S/SSC before a decision is made.
- 9.2 It is not a key decision as it simply provides amendments to a scheme that has previously been approved (as part of the Business rates Pool (Shared growth Fund) Programme by Cabinet in July 2025. It has no impact on the overall budget, and the decision does not cut across 2 or more portfolios nor does it propose a new or amended strategy. We are therefore of the view that this decision can be taken by the Cabinet Member.

## **10 Communications**

- 10.1 As the scheme progresses, there will be several opportunities to communicate its benefits through our website and social media activity, as well as internally through staffnet, promoting the role of the Council.

## **11 Conclusion**

- 11.1 Since it first launched in 2021, the scheme has part-funded over 50 local projects, contributing not only to carbon reduction in the borough but also helping to secure the financial sustainability of many local businesses. Whilst the take-up in Round 5 was lower than expected, the amendments proposed in

this report will help to ensure that the scheme generates more submissions in Round 6.

## **12 Annexes**

### **12.1 Green Business Grant Scheme Round 6 – Guidance Notes**