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VCSE Energy Efficiency Scheme – Programme Guidance

The VCSE Energy Efficiency Scheme aims to support voluntary, community and social enterprise organisations (VCSEs) to improve energy efficiency and sustainability and is funded by the Department for Culture, Media and Sport (DCMS) as part of a cost of living package announced in the Spring Budget 2023.

This information is designed to give you an overview of the scheme so you can consider if you would like to make an application for an Independent Energy Assessment (IEA) and/or a Capital Grant. It will help you identify if you are eligible for the scheme and also understand how applications will be prioritised if the scheme is oversubscribed.

It is important to note that the scheme will close to IEA applications on Thursday 20 June 2024 and Capital Grants on Friday 14 August 2024. Capital projects must be completed by 14th February 2025 and all claims submitted by 28th February 2025. This is to ensure that all funds are paid to you by 31st March 2025

Scheme Overview

The VCSE Energy Efficiency Scheme aims to help VCSEs deliver more efficient services for people and communities by saving money on their energy bills. The scheme has two main components:

1. **Independent Energy Assessment (IEA):** This involves arranging an independent energy assessor to work with you to help identify energy-saving opportunities in your building. Groundwork will assess your eligibility and needs and will allocate an independent energy assessor if your application is successful. Up to £3.4 million funding has been allocated to carry out energy assessments and provide energy efficiency advice for VCSEs.

An independent energy assessment is a comprehensive evaluation of your building's energy usage, efficiency, and potential for energy savings, conducted by a qualified and experienced independent energy assessor. The assessment includes gathering data on costs and energy usage, examining your existing systems, providing recommendations, estimating savings, and outlining an action plan. The majority of energy assessments will involve an in person visit to your premises, however, there may be occasions when the energy assessment will be carried out virtually.

2. **Capital Grants:** Grants can be used to install capital energy efficiency measures, identified in your IEA (see above), to reduce your building's energy costs. You can apply for a Capital Grant if you have a satisfactory IEA (see Eligibility Criteria for Capital Grants below). You can apply for a grant of between £2,000 and £150,000, with up to £20 million available in total. Cost savings should be used to support the delivery of your frontline services.

Please note that you'll need to apply separately for the IEA and for the capital grants. The link below will take you to an eligibility checker, which if you are eligible, will lead you to the correct application form. The two components have slightly different eligibility criteria - please see below. Please also note that receiving an IEA doesn't guarantee that you'll be successful in applying for a capital grant, but we believe the IEA will be useful in itself to help you identify a range of ways to reduce your energy bills.

Eligibility Criteria

For an Independent Energy Assessment:

- You must be a single applicant with charitable, benevolent or philanthropic purposes. If your organisation distributes surpluses to individuals such as members or shareholders, you must have an asset lock and reinvest a minimum of 51% into charitable, benevolent, or philanthropic purposes. In addition, your organisation must have one of the following legal structures/statuses:
 - Charitable Incorporated Organisation (CIO)
 - Community Benefit Society (CBS)
 - Trust
 - Unincorporated Association
 - Co-operative society
 - Community Interest Company (CIC)
 - Company Limited by Guarantee (CLG)
 - Company Limited by Shares (CLS)
- You must be based and operating in England.
- You must be delivering frontline services or managing a building as a hub that delivers multiple frontline services. You'll be asked to explain what services are provided within the building for which the grant is being applied, in the application form.
- You must be able to evidence a need for energy efficiency support.
- You must be financially sustainable, and likely to continue operating for at least the next two years.

- Documents required – you must be able to upload your organisation’s governance document, your last set of annual accounts and, if available, your building’s energy bills from 1st October 2022 - 30th September 2023. (Please note you must be operating from the building and be able to provide at least 2 months of energy bills to be eligible to apply).

For Capital Grants (in addition to the above):

- You must have been operating for a minimum of 2 years.
- You must have an independent energy assessment identifying the capital energy-saving measures you wish to apply for.
 - *You can apply for a Capital Grant if you have an existing IEA that identifies capital energy efficiency measures, includes potential cost savings, has been completed within the past two years and was conducted by a qualified and experienced independent energy assessor.*
- You must provide evidence that the energy efficiency measure(s) you are requesting a grant for will enhance your financial resilience and support the delivery of your frontline services.
- You must have considered whether repayable finance (a loan or 'blended finance' which is a blend of grant and loan) could be an appropriate method of funding your energy efficiency measures, and concluded that it is not appropriate for you at this time. Repayable finance can be a suitable way to secure funding for energy efficiency, but it isn't right for everyone. You can look at [this website](#) to help you determine whether it could work for you.
- You must provide a financial plan aligned with the payback period for the energy efficiency measures you are requesting a grant for. (The payback period refers to the amount of time for the cost of installing energy efficiency measures to be recovered through cost savings generated by those measures)
- You must have a long-term arrangement with your premises, either owning the building or having a minimum of 2 years left on your lease and be able to provide documents evidencing this.
- If you have a lease, you must have the building owner’s permission to carry out the capital works and they must complete our Building Owners Permission Form.
- Your project must be completed by 14th February 2025 and all claims submitted by 28th February 2025. This is to ensure that all funds are paid to you by 31st March 2025. (Applications will be assessed on how well planned they are, what risk factors are involved and how complex the project is)

- You must either have obtained or applied for any relevant permission for the improvements before applying for a capital grant. For example, planning permission or environmental licenses, and provide copies of these. You can find information about permissions <https://www.planningportal.co.uk/>
- You must ensure your costings are robust and realistic in your application form. If you are awarded funding, you will need to obtain three different quotes from builders/energy professionals outlining the costs of the improvement or run a tendering process. We are asking for three quotes so that you can ensure best value for money, considering a range of factors including cost, quality and capacity.

Ineligible Organisations

The following organisations are ineligible for funding through this scheme:

- Educational Institutions: e.g. Schools, colleges, and universities
- Statutory Healthcare facilities: e.g. Hospitals, clinics, and healthcare centres
- Other statutory organisations: e.g. Local authorities, town and parish councils

In addition, applications for the following buildings are ineligible

- Religious buildings primarily used for worship e.g. churches, mosques, temples. (Religious buildings primarily used to deliver services to the community regardless of faith are eligible)
- Organisations applying for domestic buildings e.g. those occupied for personal domestic use by one person or family

Eligible Energy Efficiency Installations

You can find out more on the website of one of our partners, [Centre for Sustainable Energy](#), about different types of measures that could improve the energy efficiency of your building. Eligible installations that can be delivered by the capital grants, backed by an Independent Energy Assessment (IEA), include:

- **Building fabric enhancements** - wall, roof or floor insulation/draft-proofing, and windows and doors (efficient glazing and thermal doors), green or cool roofs, dynamic glass and phase-change materials, lowering of ceilings (especially if in conjunction with installing PCM/lighting upgrades)
- **Space & water heating measures** - efficient boiler/heating (HVAC improvements), heating controls, point of use water heaters, smart building management systems, heated water low-flow fixtures, Heat Recovery Ventilation systems, Ductless Mini-Split Systems, Combined Heat and Power (CHP) Systems, Voltage optimisation, Radiant heat emitters, passive or low-energy cooling

- **Lighting** - LED lighting systems, light fittings, lighting controls and occupancy sensors, daylight harvesting systems
- **Renewable energy measures** - heat pumps, solar panels, wind turbines, Micro-Hydro Systems, battery storage
- **Fossil fuel measures by exception** and only in the event that they have been particularly recommended for the premises as part of the IEA, with limited other options available.
- **Other capital measures by exception** and recognised as proven to make significant reductions in energy
- **Minor capital works** required to support the installation of energy efficiency measures may also be covered, but will be assessed on a case-by-case basis

We will not fund:

- measures that do not reduce energy bills significantly
- measures that are likely to need replacing before the end of the payback period
- maintenance works (unless they are required to support the installation of a new energy measure)

Prioritisation of applications

We anticipate that the scheme is likely to receive more applications than can be funded. Consequently, we may not be able to provide support to all applicants.

We have carefully considered the overall aim of the scheme and have incorporated some priorities as set out below, that will be used if the scheme is oversubscribed. If your application is eligible, Groundwork UK will assess your application against the prioritisation criteria. We will identify which priorities your application meets and assess the extent to which it meets these priorities.

The scheme's intended outcome is to support diverse organisation types and ensure a good geographic and demographic spread of funding, so these are also factors that will be considered during assessment.

Priority factors include:

1. Organisations directly supporting individuals and communities with critical needs, particularly those related to the rising cost of living. Examples include:
 - Services that address poverty, including by providing food, warmth, emergency supplies or personal grants
 - Shelter, accommodation and housing for those most in need
 - Advice services for people experiencing financial, housing or legal challenges
 - Services that address specific physical and mental health issues (such as disability, addiction and dementia)
 - Education, training and employment services that improve employability
 - Community hubs or centres, out of which any of these services operate.

2. Organisations for whom energy is the biggest concern, as evidenced by:
 - having the highest proportion of total expenditure spent on energy (at least 5%)
 - delivering frontline services that are particularly reliant on energy, with specific examples provided
3. Micro, small and medium-sized organisations. Although larger organisations are welcome to apply, we will prioritise organisations whose income is less than £1 million per year.
4. *[For capital grants only]* Projects that have the best value for money, as evidenced by:
 - capital measures that will make the largest cost savings [proportionate to an organisation's overall expenditure and grant amount requested]
 - capital measures with shorter payback periods
 - description of the impact the savings will have on the organisation and its delivery of services

Application Process

We encourage you to apply as early as you can to ensure your independent energy assessment is completed and satisfactory, and you have sufficient time if you decide to apply for a Capital Grant.

You must first complete an eligibility checker. If you are eligible, you will be directed to the IEA or Capital Grant application form. Applications for both IEAs and Capital Grants will be completed and submitted through an online portal.

As above, the scheme will prioritise smaller organisations who generally manage only one building. If you are an organisation with multiple buildings, we encourage you to prioritise and submit one capital grant application for the building where your energy needs are the greatest. If your buildings require independent energy assessments, you can submit multiple applications for the IEA and this will help you identify your priority.

Applications for IEAs are now open and will close on Thursday 20 June 2024. You can expect a decision on your IEA application within 15 working days of receipt of a complete application.

Capital Grant applications are now open on a rolling basis and will close on Friday 14 August 2024. You can expect a decision on your capital grant application within 40 working days of receipt of a complete application.

If you are successful there may be an opportunity to receive support from a capital enabler with the delivery of your project. This support will not be available to every successful organisation, but will be offered to those organisations whose support needs are greatest. Groundwork will

assess your needs based on your capacity, experience and complexity of your project and be in touch if we are able to offer this support.

Further Information

[Eligibility Checker](#)

[Word version of IEA application](#)

[Word version of Capital application](#)

Contact us: EES@groundwork.org.uk 0121 237 5894