

Local Industrial Zone Decarbonisation Plan Competition Guidance Notes

Introduction

UK industry accounts for 16% of national greenhouse gas emissions and approximately half of these emissions come from “dispersed sites” such as Industrial or commercial zones within a local area.

This competition run by the Midlands Net Zero Hub (the Hub), aims to address the knowledge gaps around place based non-domestic decarbonisation and foster closer working between, commerce, Industry and Local Authorities. The Midlands Net Zero Hub will award up to £30,000 to 5 Local Authorities as match funding to a proportion of no more than 65% of the study cost. This award is to be used to produce a study for one selected ‘zone’ in line with the aims and objectives laid out in this guidance.

The aims of this competition are to:

- Support the development of place-based decarbonisation plans for industrial or commercial sites identified by the LA.
- Identify barriers and provide place-based solutions enabling the decarbonisation of dispersed industrial and commercial sites.
- Identify opportunities presented by place-based decarbonisation.
- Increase organisational collaboration and strengthen decarbonisation planning skills, capacity, and capability in local industrial or commercial zones.
- Gather and disseminate information and supporting evidence to inform the decarbonisation of other local industrial or commercial sites.

It is anticipated that the reports produced will identify barriers and provide solutions to the decarbonisation of dispersed industrial and commercial sites in a way that is both effective and fair. We would expect the reports funded through this scheme to detail approaches that will overcome some of the issues raised such as electricity grid constraints, peer to peer energy trading and the decarbonisation of industrial ‘process’ heat. The competition is also seeking to identify opportunities for upskilling local workforce capacity ahead of introducing low-emission technologies and solutions. It is important that this work references and integrates with regional cross-sector decarbonisation plans and other policies (local & national) affecting local industrial or commercial zones.

The Midlands Net Zero Hub would expect that this competition fund would encourage local authorities and their partners to come together to identify, form and support local industrial and commercial zones, with the aim of developing a detailed and realistic plan for the decarbonisation of their identified area and to help overcome potential barriers. This is expected to include the identification of a pipeline of projects that could be taken forward for deployment.

Scope

The applicant may define the ‘zone’ that they will make the subject of the study. Stakeholders within that zone must be identified and some form of carbon baselining performed as part of the study. To be eligible, the zone chosen will be deemed outside of the scope of the previous UK government studies. Barriers identified can be physical, social, economic, policy or legal in nature. Place based decarbonisation solutions can be of any type, but clear benefits to the local economy and environment

should be detailed. The work is expected to culminate in the production of a plan containing costed recommendations and a potential project pipeline covering the short, medium and long term.

Your proposal will:

- Demonstrate the local significance of your project.
- Demonstrate what stakeholders will contribute to the project and what information will be disseminated through a Local Industrial Decarbonisation Plan.
- How your proposal will help meet local net zero targets.
- Show how you intend to capture information about existing industrial and commercial decarbonisation activity in the chosen zone.
- Identify the key opportunities for industrial and commercial decarbonisation in the local area.
- Identify barriers and enablers to industrial and commercial decarbonisation in the zone.
- Reveal how you plan to analyse the benefits and costs involved in developing the plan.
- Highlight opportunities to implement the contents of plan.

It is intended that the scope and specification of the studies will be defined by applicants to enable the studies to be tailored to meet the specific requirements of the area. A zone may be considered either as a geographic location or several similar industrial or commercial businesses spread over a wider geographical area. The scope may range from techno-economic feasibility study to full business case but will as a minimum:

- Identify and map potential local industrial or commercial zones or areas.
- Assess the feasibility of developing plan to support the decarbonisations of an identified zone.
- Provide an outline design of the Plan's main aims and objectives.
- Contain clear estimates of the benefits of developing a decarbonisation plan as well as the costings and timescales involved.
- Provide a detailed assessment of the risks and opportunities associated with decarbonising the identified zone.

It is recognised that the development of plans to promote the decarbonisation of local industrial areas across the region is likely to be at different stages. However, the Hub would anticipate that your local decarbonisation plan would look to address (some or all) the following areas:

- geographic coverage
- technology options
- existing decarbonisation activities
- emissions data
- commercial arrangements
- stakeholder engagement
- funding and finance
- knowledge dissemination
- economic, social, and environmental impacts of decarbonising
- barriers and opportunities
- timelines
- project management

Exclusions

The Competition is looking to support the development of a decarbonisation plan, not its implementation. The Midlands Net Zero Hub expect that the contents of the plan will support future investment in an industrial area.

Funding and essential eligibility criteria

This competition is only open to Local Authorities within the Midlands Net Zero Hub region. Private Enterprises that submit directly will not be eligible, so we encourage collaborative working with Local Authorities. The programme aims to fund a minimum of 5 place-based industrial and commercial decarbonisation plans through this project. Funding will be in the form of a grant of up to a maximum of £30,000 with the local authority or consortium expected to provide a minimum match funding of 35% of the total value of the project. This will help attract applications for projects that are most likely to be delivered. So, for example if the full allocation of £30,000 was applied for, the total project value would be £40,500. The Midlands Net Zero Hub would provide the sum of £30,000 (65%) whilst the Applicant would be required to match fund the remaining 35% of the total value. Please see the Match Funding Calculator Table below for further guidance:

Total Project Value	Grant Amount	Match Funding Contribution
3375	2500	875
6750	5000	1750
10125	7500	2625
13500	10000	3500
16875	12500	4375
20250	15000	5250
23625	17500	6125
27000	20000	7000
30375	22500	7875
33750	25000	8750
37125	27500	9625
40500	30000	10500

Your project must:

- have a grant funding request under £30,000
- start by November 2024
- end by June 2025
- have a minimum duration of 4 months
- collaborate with partners

It will be a requirement of the funding that findings will be put in the public domain (this may be in the form of anonymised final reports with where necessary anything of a particularly commercially sensitive nature removed). Applicants should therefore ensure any external consultants procured to deliver work funded by this scheme are aware of this requirement.

Subsidy Control

This competition provides funding in line with the Subsidy Control Act 2022. Further information about the Subsidy requirements can be found within the [Subsidy Control Act 2022 \(legislation.gov.uk\)](https://legislation.gov.uk).

The Midlands Net Zero Hub is unable to award organisations that are considered to be in financial difficulty. We will conduct financial viability and eligibility tests to confirm this is not the case following the application stage.

If you are unsure about your obligations under the Subsidy Control Act 2022, you should take independent legal advice. We are unable to advise on individual eligibility or legal obligations.

You must always make sure that the funding awarded to you is compliant with all current Subsidy Control legislation applicable in the United Kingdom.

This aims to regulate any advantage granted by a public sector body which threatens to or distorts competition in the United Kingdom or any other country or countries.

Further Information

If you are unsure as to whether you fall within the criteria or would like to discuss your proposal further, please email MidlandsNetZeroHub@Nottinghamcity.gov.uk.



Application Guidance

Applicants must complete the 'Local Industrial Zone Decarbonisation Plan Competition' application form.

Applicant details

Sections A and B. This information will be used:

- To confirm that the applicant is an eligible local authority in the Midlands Net Zero Hub Region.
- Determine the type of Industrial Zone that will be the focus of the study.

About your Industrial Decarbonisation project

Sections C and D aim to give the MNZH a comprehensive understanding of your project and provide evidence that any funding awarded will move your proposal forward. In your response, please include details:

- How the project fits with your council's wider decarbonisation strategy.
- The type of and purpose of the proposed study.
- How you will engage with stakeholders
- Your medium and longer-term decarbonisation plans.

Delivery and Information sharing.

It is the mission of the MNZH to share knowledge and good practice across the Midlands to assist our partner local authorities deliver decarbonisation projects. Your response to **Sections E and F** will be used to assess the quality of information that will be shared.

Costs and Funding requirements

Please specify your funding request and details of match funding in **Sections H**. MNZH funding will be limited to a maximum of £30,000 per project with match from the local authority and partners.

Timelines

Please see below the application/ project timeline with key actions and outcomes. These timelines are subject to change.

- The competition will be launched **11th September 2024**.
- Application will need to be received by **Midnight on 14th October 2024 with**
- Winning bidders notified **w/c 21st October 2024**.
- All studies commissioned using funding from this competition will need to be completed by **30th June 2025**.



Scoring

All proposals will be appraised, by the MNZH, for eligibility, strategic fit, and value for money. Please see below the scoring methodology. Each question will be given a score of 1 (not satisfactory) to 5 (excellent). Should any proposal score 1, in any of the criteria, they will be excluded from the competition. The scoring methodology is outlined below:

Score	Description
1	Not Satisfactory: Proposal contains significant shortcomings and does not meet the required standard
2	Partially Satisfactory: Proposal partially meets the required standard, with one or more moderate weaknesses or gaps
3	Satisfactory: Proposal mostly meets the required standard, with one or more minor weaknesses or gaps.
4	Good: Proposal meets the required standard, with moderate levels of assurance
5	Excellent: Proposal fully meets the required standard with high levels of assurance

Applicants will be informed by the MNZH of the outcome of their submission via email, along with feedback and a total score. We cannot provide feedback or a score for each individual question, but we will be able to provide general feedback on the strengths and weaknesses of an application.

If successful, organisations should note:

- Grant agreements: The Hub will sign a Grant Funding Agreement (GFA) with the successful local authorities. KPIs specific to the project (e.g. milestones, outputs) will form part of the GFA.
- Grant Agreement Publicity Principles: These are a set of guidelines to support partners and beneficiaries to understand the expectations of collaborative working when promoting work that has been funded by the Midlands Net Zero Hub.
- You must not start your project until we have received, checked, and approved the signed Grant Funding Agreement and any other additional documents we may request. Work commenced prior to the signing of the GFA will not be funded.