

# Carbon Offset Fund (COF) Funding Guidelines

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Final v.1





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The Milton Keynes City Council Carbon Offset Scheme is funded by Section 106 planning contributions for the purpose of reducing carbon emissions within the city of Milton Keynes only. The funding is subject to the availability of sufficient funds from Carbon Offset S106 contributions. If there are insufficient S106 funds available, grant funding may have to wait for funds to be replenished.

## Aims and restrictions on funding using the COF

1. Provide funding to support works that provide long term carbon emissions reductions in Milton Keynes, in line with the requirements of Plan:MK, section 17.
2. Provide help for local community groups<sup>1</sup> and public organisations to reduce their carbon footprint – MK (Milton Keynes) Council, Parish & Town Councils, community organisations including charities & bulk domestic schemes active within the borough.
3. The fund normally provides a maximum of 50% capital finance support for eligible<sup>2</sup> costs. There may be cases where this maximum can be exceeded, but the exact percentage will be based on additionality of the work, i.e., the technical challenge involved, social need, visibility, and public education. This is at the discretion of the COF board.
4. To encourage local support and knowledge sharing network for carbon reduction activities.
5. Require the grantee to monitor carbon emissions savings and promote awareness of the benefits of this.
6. Funding of carbon capture or offsetting is not covered by the scheme, as this is not considered to maximise local benefit and financial savings.
7. Funding for batteries or other energy storage projects is not covered directly, as these do not save carbon emissions directly, however they may be included in the overall scheme but do not contribute to carbon savings.

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<sup>1</sup> Including not for profit, community run companies.

<sup>2</sup> Eligibility refers to costs for carbon saving work, not maintenance or cosmetic improvements.



# Methodology

1. Applicants must calculate the annual carbon savings and the cost/tonne of these to be delivered by the proposal over the estimated lifetime of the measure<sup>3</sup>. These calculations should use BEIS (Business, Energy, and Industrial Strategy) emissions factors prevalent at the time of first application to the fund. Applicant must supply the calculations and supporting data.
2. Establish a nominal lifetime of the measure, using manufacturer's guarantees, BBA data, building lifetime data – to be agreed with the applicant.
3. Grants paid must be supported by at least 3 quotes with evidence that some sort of procurement has been done. Level of support based on the lowest quote which shall be agreed before project start. Release of financial support shall be based on receipted invoices for the work. Any unforeseen changes to the project will be at the applicant's risk and may not be considered eligible for financial support unless there are exceptional circumstances. Any such changes must be agreed by the council. Funding provided when installation finished.
4. Percentage support above 50% is based on the technical or community 'Merit' of the measure e.g. Is this technically difficult but with a worthwhile outcome? Does the measure have additional social merit e.g., job creation, social impact, visibility? This is at the discretion of the COF Board.
5. Applicant must consider the legalities of the works. What are planning or building control requirements? Who owns the property and has permission been granted? Who benefits? Is the measure structurally sound (roof top solar).
6. Applications will be considered by a COF board, with officer recommendation. Applications are approved in principle by Sustainability team and funds release approved by planning obligations team against an approved S106 contribution. Quarterly approvals mtg are held, with a fast-track process available for opportunistic schemes with short timescales.

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<sup>3</sup> Evidence for this is required, see paragraph 3

## Completion & Monitoring

1. An informal approach to the sustainability team for discussion of funding guidelines prior to a full application is encouraged. This is to ensure that a scheme meets the policy and financial criteria for funding prior to making a full application.
2. The grantee must provide evidence of energy/carbon emissions for at least one year before the works and at least one year after. Where renewables are involved (Solar PV etc), these must be separately metered, and readings provided at monthly intervals following completion. Additional sub metering, if required is an eligible cost. This is to allow verification of the efficacy of the measure(s).
3. Above a financial threshold, (**£75k**) the council may require external assessment of the project, both before and after the project is approved and completed. The cost of this will not be borne by the COF.
4. All approvals and financial processes, including procurement will be subject to the council's internal audit process.
5. Upon completion, the grantee must provide evidence of the expenditure and physical completion of the works to required standards (MCS certification, guarantees, building control sign off etc). Photos of the installation must be provided and may be used by the council in publicity for the scheme. The council reserves the right to inspect the works during and after completion, subject to an agreed time and date with the grantee.

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