

Carbon Offset Fund (COF) Funding guidelines

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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. These works could include but are not limited to; lighting replacements, installing solar PV panels, replacing gas/oil/LPG boilers with heat pumps or insulation.
2. Provide help for local community groups¹ and public organisations to reduce their carbon footprint – Milton Keynes City Council, Parish & Town Councils, community organisations including charities and bulk domestic schemes active within the borough.
3. For external applications, the maximum grant available per project is £30,000.
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.
8. In line with the principles of the Carbon Offset Fund and associated Section 106 contributions, all projects must demonstrate a cost of no more than £200 per tonne of CO₂e saved in order to be eligible for funding.
9. The council will operate a competitive application process. Applications will be invited over a defined period of time and all eligible applications will be assessed collectively. Key dates and deadlines can be found on the website.

¹ Including not for profit, community run companies.

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. These calculations should use the latest Department for Energy Security and Net Zero emissions factors prevalent at the time of first application to the fund. The Council will provide a spreadsheet to support the calculations, however, the applicant must supply 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 practical completion of 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.
4. 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.
5. Applications will be considered by the Infrastructure Delivery 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.
6. Where the fund is oversubscribed, eligible external applications will be assessed and prioritised using the following approach:
 - Value for money (carbon efficiency) will form the primary basis for assessment. Projects will be evaluated based on their cost per tonne of CO₂e saved over the lifetime of the project, with priority given to those delivering greatest carbon reduction per pound invested.
 - In addition to value for money, the council will also consider additionality and social and community value. Additionality is the extent to which the project relies on COF funding to proceed. Social and community value includes benefits to community facilities, users and wider local outcomes.
7. Projects will be ranked primarily by cost per tonne of CO₂e saved but the council will use the additional considerations above to inform overall decision-making, particularly where:
 - Projects demonstrate similar levels of cost effectiveness; or
 - A balanced programme of investment is required

The council reserves the right to take a portfolio approach to funding decisions to ensure that the overall programme is deliverable and provides a range of benefits across Milton Keynes.

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. All approvals and financial processes, including procurement will be subject to the council's internal audit process.
4. 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.

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.

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