**Natural Capital Challenge Fund**

Information and Guidance

1. **What is Natural Capital?**

Natural capital is the sum of our ecosystems, species, freshwater, land, soils, minerals, our air, our seas and natural processes. These are all elements of nature that either directly or indirectly bring value to people and the country at large. They do this in many ways but chiefly by providing us with food, clean air and water, wildlife, energy, wood, recreation and protection from hazards.

If we make the most of our natural capital, we can bring about a range of social and economic benefits as well as protecting and enhancing our natural environment. The benefits can include improved health and wellbeing, opportunities for culture and recreation, sustainable energy and transport, enhanced biodiversity, protection from natural hazards such as flooding, green infrastructure, business opportunities, growth in employment and skills, and a boost to long-term prosperity.

**For this fund we are looking to support projects that use Natural Capital as a tool to create employment and skills.**

1. **Natural Capital Challenge Fund: Summary**

Natural Capital Challenge Fund has been set up to support the recovery of businesses and the wider economy of Devon following the COVID-19 pandemic.

The Key Objective of this fund is to support, develop and fund a small number of high-quality Natural Capital initiatives that will create employment and training opportunities in Devon.

The fund is available for businesses, charities and community organisations across Devon to help support initiatives that use natural capital to create employment and skills.

We will prioritise projects that:

* Create employment
* Provide opportunities for acquiring accredited skills
* Enhance the natural environment and/or conserve natural resources
* Trial a new approach that will help to inform future policy and practice in Devon

1. **Eligibility**

|  |  |
| --- | --- |
| Who can apply? | Businesses, including social enterprises; charities; not-for-profit organisations such as community groups  Applicants must:   * be based in Devon. * have a Governing Document appropriate to the recognised status of the organisation eg. constitution, Articles of Association * have a Management Committee or Board of at least 2 unrelated members e.g. Trustees, Directors, Management Committee * have a bank account in the name of the organisation and a minimum of 2 unrelated bank signatories * Annual Accounts or financial records that clearly record annual income and expenditure breakdowns |
| What is the funding for? | The Key Objective of this fund is to support, develop and fund a small number of high-quality Natural Capital initiatives that will create employment and training opportunities in Devon. |
| Where can projects take place? | Activity needs to be wholly within Devon (excluding Plymouth and Torbay) |
| How much is available? | The maximum grant is £50,000. This can be capital or revenue. Larger grants may be considered in exceptional circumstances.  We would expect applicants to request the amount required to enable them to deliver their project.  Funding from the Natural Capital Challenge Fund can be used for:   * revenue costs eg. salaries, training * capital costs eg. buildings, equipment   The following costs are not eligible for funding:   * retrospective investment * standard business costs and fees * VAT you can reclaim * marketing and PR * actions to meet health & safety or other statutory requirements * vehicles   Match funding is not required but projects that have match (cash or in-kind) will be regarded favourably. |
| When can projects take place? | Applications for Round 1 must be submitted by 5pm on 20 August 2021  If all funding is committed in Round 1, there will be no further rounds.  If funds allow, Round 2 will be announced in due course.  Projects can run for up to two years.  All funding must be spent by 31 March 2023 |

1. **Exclusions**

* Applications from individuals and sole traders cannot be considered
* We cannot support projects which intend to use the funds to make grants to other organisations
* Community energy projects are not eligible for this fund: instead these will be able to apply for funding from a new DCC scheme launching soon

1. **Outputs/Outcomes required**

Your project must include at least one of the Employment and Skills Outputs (1 - 6).

Your project must include at least one of the Natural Capital Outputs (7 – 9):

We recognise that there is a broad range of potential Natural Capital projects and we will therefore also consider alternative Natural Capital outputs such as those relating to air quality or water quality benefits, soil health, species protection, tree planting and flood risk management. Please enter any additional outputs in the application form, explaining how you will measure them. We may wish to discuss these with you as part of our project assessment.

Complete Section 19 of the Application Form stating how many outputs your project will deliver for each year. This information is also required in the Outputs sheet in Appendix 1.

|  |  |  |
| --- | --- | --- |
|  | ***Output/Outcome Delivered*** | **Notes** |
| **Employment and Skills Outputs** | | |
| 1 | Number of businesses/organisations supported | Do not include your own organisation here but please count any other organisations that your project will support. |
| 2 | Jobs created/safeguarded | Combined total of jobs created and/or safeguarded as a result of your project |
| 3 | Number of new apprenticeships | [Apprentices](https://www.apprenticeships.gov.uk/) are employees with a contract of employment - they get paid and receive holiday leave. At least 20% of working hours are dedicated to formal training. |
| 4 | Number of participants engaged on a training course | Number of participants who start a training course as a result of your project |
| 5 | Number of participants completing a training course | If all participants stated in 4 above are expected to complete their training, please state the same figure again. |
| 6 | Number of participants gaining an accredited qualification | Participants gaining qualifications listed on the [Register of Regulated Qualifications](https://register.ofqual.gov.uk/) can be included here |
| **Natural Capital Outputs** | | |
| 7 | Metres of linear features e.g. hedgerow / riverbank | Meters of linear features created/improved |
| 8 | Tonnes of carbon sequestration from natural capital investments e.g. tree planting; soil management | Tonnes of CO2 captured and stored |
| 9 | Habitat hectares created/restored supporting natural capital and nature recovery | Total area in hectares that will be created or restored through your project. This would include restoring degraded land, peatland restoration, rewilding schemes, tree planting, improving coastal or marine habitats. |
|  | **If your project will also deliver other outputs/outcomes, please list them here:** |  |
|  | Enter additional outputs/outcomes | Describe how these will be measured and state the quantity that you expect to achieve |
|  |  |  |
|  |  |  |

1. **Project costs and funding**

You will need to provide details of the total costs of your project and show that you will have funding (including the amount you are requesting from the Natural Capital Challenge Fund) to cover all the costs.

If you can reclaim VAT, please exclude VAT from your figures.

If you cannot reclaim VAT, please include VAT in your figures.

If you need to pay for sub-contractors or purchase large items you will need to provide evidence of the costs, as follows:

|  |  |
| --- | --- |
| **Value** | **Evidence** |
| Above £1,000 and up to £2,500 (£5,000 for works) | Two oral quotations |
| Above £2,500 (£5,000 for works) and up to £10,000 | Invite three organisations to submit written quotations |
| Above £10,000 | Invite three organisations to submit written formal quotations submitted by a specified date and time and based on a written specification and evaluation criteria |

Please complete the Project Costs & Funding section in the application form and in Appendix 1.

1. **How to apply to the Natural Capital Challenge Fund**

You will need to complete the following documents:

* Natural Capital Challenge Fund Application Form
* Natural Capital Challenge Fund Appendix 1 – Costs & Funding
* Natural Capital Challenge Fund Appendix 1 – Outputs
* Natural Capital Challenge Fund Due Diligence Form

You will also need to provide:

* Evidence that you have the necessary consents to proceed with your project

1. **Selection criteria**

This is a one-stage application process: projects will be selected on the basis of the information provided in the Application Form and Appendix 1.

* 1. Essential Requirements

1. Applications must satisfy the eligibility criteria set out in Section 3 above.
2. Applications must have the necessary consents (eg. planning consent) to be able to proceed with their project within the required timescale
3. Projects must be able to deliver at least one of the Employment/Skills Outputs and one of the Natural Capital Outputs, as set out in Section 5

9.2 Selection Methodology

Applications that meet the essential requirements above will be scored by members of an Assessment Panel as follows:

Each panel member will allocate a score from 0 to 5 for the following sections of the application form:

* Your Project
* Project Costs & Funding
* Project Management

The maximum score that a panel member can give to a project is therefore 15.

The scores from each panel member will be combined to give a total score for the project.

In order to be considered for a grant, projects will need a score of at least 50% of the maximum available marks. Above this, funding will be awarded to the highest-scoring projects, subject to the availability of funding and satisfactory due diligence checks.

The table below sets out how the responses to each section of the Application Form will be assessed and scored:

|  |  |  |
| --- | --- | --- |
| Score | Acceptability | Applicant response demonstrates |
| 0 | Unacceptable | The information required by the question is either not provided or is fundamentally unacceptable, for example the entirety of a project is located outside Devon. |
| 1 | Poor | There is insufficient evidence that the Essential Requirements can be met. There are significant omissions from the information required to be provided. |
| 2 | Fair | Responses cover the basic information requested in many respects but are unsatisfactory in others. There may be some minor omissions or areas which indicate that the Essential Requirements may not be met and/or the Key Objective will not be achieved. |
| 3 | Good | The information submitted meets the Essential Requirements and Key Objective. There are no major concerns. |
| 4 | Very good | The information submitted provides good evidence that the Essential Requirements can be met. The application inspires Devon County Council's confidence in the project and the achievement of the Key Objective. |
| 5 | Outstanding | The information submitted exceeds expectations that the Essential Requirements can be met, giving Devon County Council no concerns in respect of its investment. The application inspires Devon County Council’s confidence that its Key Objective will be achieved. |

1. **Payment**

If your application is successful and you are awarded funding, you will receive an upfront payment of 50% of the amount awarded.

Subject to satisfactory progress against your stated milestones, Devon County Council will make a further payment of 40% after six months or, for projects that are longer than one year, a series of payments totalling 40% of your grant.

The final 10% will be paid when the project is complete and Devon County Council is satisfied that you have met the terms of your Grant Agreement.

1. **Building Works**

It is your responsibility to ensure that building works comply with current regulations.

You should contact your District/Borough Council to find out if planning consent or other approvals (eg. building regulations) are required for the work you are intending to carry out. If planning consent is required, please ensure that it is in place before starting your project and provide copies of the relevant documents. If you do not yet have planning consent, please confirm that permission will be in place within 6 months of being offered a grant.

1. **Subsidy Control**

Grants from the Natural Capital Challenge Fund are awarded through the Small Amounts of Financial Assistance Allowance (SAFA). This is part of the UK’s new Subsidy Control regime which replaces the EU State Aid rules. Under the new rules, you are allowed to receive up to £335,000 (subject to exchange rates) from public funds over any period of 3 years. It includes any subsidy previously received as *de minimis* aid or as Small Amounts of Financial Assistance under the EU-UK Trade and Co-operation Agreement (TCA) from any subsidy awarding body.

It is your organisation’s responsibility to check that it is eligible, and by the very submission of an application you are declaring that, if awarded payment, you are complying with and will not exceed the SAFA threshold. If you have any doubt as to your position you must seek appropriate advice before applying.

Please complete the table in the application form to declare any subsidies that your organisation has already received. We will seek further information from you should our due diligence checks highlight that you have exceeded the Small Amounts of Financial Assistance Allowance of £335,000 (subject to exchange rates) over a period of three years.