



Heavy Duty Vehicle (HDV) Fund

Eligibility Criteria:

- Business must be an SME actively trading for more than 12 months.
- All business sectors.
- Nature of the business:
 - Depending on the nature of the business, the eligibility criteria will vary in accordance with whether the business is classed as a Road Freight Transport for Hire or Reward operator or not.
 - The definition of a Road Freight Transport for Hire or Reward operator is:

Road Freight Transport for Hire or Reward operators – defined as an operator that transports goods between two places: a place of loading and a place of unloading, for payment. For example, a business that is paid to collect items belonging to a third party from one location, to drop them off at another, would be classed as Road Freight Transport for Hire or Reward operators.

Non-Road Freight Transport for Hire or Reward operators – all others vehicle operators. For example, a business that is collecting its own items from one depot to transport them to another depot would not be classed as Road Freight Transport for Hire or Reward operators.

If a business is a postal, courier, or waste operator then they are exempt from the rules relating to Road Freight Transport for Hire or Reward, and for the purposes of this fund they will be classed as Non-Road Freight Transport for Hire or Reward operators.

- The total grant package for SMEs which are Non-Road Freight Transport for Hire or Reward is up to €200,000 and for SMEs which are Road Freight Transport for Hire or Reward is up to €100,000.
- The Heavy Duty Vehicle Fund will be administered in accordance with De minimis State Aid Regulations.
- In order to be eligible to apply for this funding, the business must comply with the below criteria:
 - Own or lease Heavy Duty Vehicle(s) that are non-compliant with the Clean Air Zone emission standards.



- Eligible non-compliant Heavy Duty Vehicles (N2, N3 and M3 only) must be either:
 - Registered and located within the Birmingham Clean Air Zone (or)
 - Registered and located within the Birmingham City area and conducting commercial operations within the Clean Air Zone (or)
 - Registered and located within the West Midlands area and conducting commercial operations within the Clean Air Zone.
- Be able to evidence:
 - The frequency of entry to the Clean Air Zone based on current operations.
 - The current Euro standard of eligible, non-compliant Heavy Duty Vehicle(s).
 - The size of the business (Small to Medium sized Enterprise).
 - The base location of their vehicle(s) for the last 12 months.

Application information required:

- Most recent two years full accounts and where the applicant is part of a group, consolidated group accounts (Micro/Abbreviated accounts are not acceptable).
- Management accounts up to the present day (only if the most recent account are more than six months old).
- Must demonstrate viability and ability to deliver.
- Evidence of project funding to undertake the work.
- Evidence of vehicle usage in the Clean Air Zone.
- Evidence of non-compliant vehicle(s) – (the Government vehicle checker must confirm non-compliance) V5C document(s) and valid MOT Certificate(s).
- Provide 3 quotes or evidence of a tendering process for the proposed project. Where this is not possible, (e.g. only one retrofit provider available), this must be made clear in the application. Where retrofit technology is not available, written correspondence must be shown to indicate when the technology will be commercially ready.



- Copy of a current, up to date, one month's business bank statement for the applicant business showing bank name, business name and address, account name, account number and sort code.
- If relocating, provide a copy of your current and new lease (minimum term of 3 years), in addition to a copy of your lease payment statement (showing your rental payments to date and any outstanding balance including exit lease costs)

Retrofit or purchase/lease:

- Evidence of non-compliant vehicle(s) – (the Government vehicle checker must confirm non-compliance) V5C document(s) and valid MOT Certificate(s).
- Must undertake retrofit works compliant with Euro VI vehicle standards or purchase/lease of replacement Euro VI vehicle(s). The replacement vehicle must be equivalent to the vehicle being replaced (N2, N3 or M3 only).
- Provide 3 quotes or evidence of a tendering process for the proposed project. Where this is not possible, (e.g. only one retrofit provider available), this must be made clear in the application. Where retrofit technology is not available, written correspondence must be shown to indicate when the technology will be commercially ready. The council will assist with this process.
- If successful, the following information will need to be provided for the purchase/lease option (i.e. not a retrofit):
 - A sales receipt (or certification of destruction) of the replaced vehicle prior to payment of grant.
 - Registration details of the newly purchased/leased vehicle(s) (V5C).
- Retrofit provider and technology must be accredited under the [Clean Vehicle Retrofit Accreditation Scheme](#) (CVRAS).

Additional information required:

- Confirmation of eligibility for exemptions, either through having vehicles registered within the Clean Air Zone or having vehicles with pre-existing finance agreements entered into on or before 10th September 2018 where one or more payments pursuant to that contractual arrangement are due on or after the commencement date of the Clean Air Zone. (The full list of eligibility requirements can be found on the Brum Breathes webpage).
- If opting to use the funding to carry out the installation of a retrofit technology/purchase/lease, details of the relevant vehicles must be provided:



Make, engine type and Euro standard, e.g. Mercedes-Benz Econic 6.3 litre Euro V (V5C).

- Evidence of the vehicle(s) in question regularly conducting commercial operations within the Clean Air Zone, two or more times per week. This can take the form of; contracts outlining regular work within the Clean Air Zone, any permit or parking documents related to the vehicles within the Clean Air Zone, or data from fleet tracking devices. Other forms of evidence will be considered and the decision on whether evidence is classified as credible will be at the discretion of the Heavy Duty Vehicle Fund Manager.

Application Process:

- Once your application has been received by Birmingham City Council, you will receive an e-mail notifying you of its receipt. It will then be checked to ensure that all documentation required has been submitted with the application form.
- If at this stage it is felt that additional information or documents are missing or need to be resubmitted, you will be contacted.
- Once all documentation has been received, a financial appraisal and project assessment will be undertaken. If both assessments are passed, the application will be allocated to a Project Officer (PO). You may be contacted at this stage if anything needs clarifying.
- Following the assessments, the project will be considered at a Panel or Investment Board meeting where a decision will be made.
- Approval is not guaranteed, and we will make one of three decisions:
 - Application recommended for approval.
 - Application deferred. In this case, you will be contacted for additional information before the application can be re-presented at another Panel or Investment Board meeting.
 - Application declined. In this case, you will receive a letter outlining the reasons why your application was declined.

Approved applications:

- If your application is approved, a Funding Agreement stating the grant amount awarded and the terms and conditions of the grant will be sent to you.
- Included with the SME Funding Agreement will be the following:



- New Vendor Form
- New Vendor Request Form Guidance Notes
- The New Vendor Form should be completed and returned to Birmingham City Council with the original signed Funding Agreement. You will receive an e-mail from us notifying you of its receipt.
- As part of this timeline, a time limited exemption will be offered to the vehicles until it is possible to complete the works. An example of this is a business waiting for a retrofit solution to become available for their vehicle.

Payment of grant:

- Provide evidence that the work has been satisfactorily undertaken, in line with the offer as stated within the Funding Agreement:
 - Evidence of retrofit work being completed must be provided with paid invoice, certification and bank statement.
 - Purchase/lease of Euro VI vehicles - must provide new vehicle registration details (V5C), a sales receipt (or certification of destruction) of the replaced vehicle, a paid invoice and bank statement.
 - The business must undertake retrofit works compliant with Euro VI vehicle standards or purchase/lease of replacement Euro VI vehicle(s).
 - Evidence of exit lease costs being paid must be provided with a bank statement, paid invoice and copy of your lease exit payment statement showing the payment made with no outstanding balance.
 - Evidence of a relocation taking place must be provided with a copy of the new lease (minimum term of 3 years), paid invoices and bank statement.
- All expenditure undertaken as part of the Heavy Duty Vehicle Fund **MUST** be paid for by cheque or bank transfer so that a clear evidence trail can be demonstrated. Any payments made in cash will not be reimbursed against.
- Birmingham City Council will only reimburse against invoices for eligible expenditure dated after the date when the Funding Agreement was signed and accepted.
- Grant payments are issued as a reimbursement of eligible expenditure (i.e. paid in arrears) incurred by the business and will be paid on production of



relevant evidence, i.e. copies of invoices for approved eligible costs and bank statements to evidence the payments.

- All documents listed above submitted as part of a grant claim should clearly state 'Certified as a true copy of the original' and be signed and dated by a person legally responsible for the business. Any documents submitted without this will be returned and reimbursement will be delayed.
- Grant payment will only be made on evidence of Defrayal and supporting documents under the terms of your Funding Agreement with the HDV Fund.
- Grant claims should not include VAT.
- Grant payments will be reimbursed as per your Funding Agreement for eligible expenditure submitted until the approved grant amount has been reached.
- Grant payments will be made directly to the business's bank account using details supplied on the new vendor request form. Grant payments will not be made to third parties.

Claw back of grant:

- Administration/liquidation of business within 3 years will result in claw back of grant paid.
- Sale of grant funded vehicle(s) within 3 years will result in claw back of grant paid.

***Please Note:**

- The trade-in value for the vehicle will be taken off the full purchase price. The amount will need to be deducted from the overall purchase value prior to grant application.
- Businesses applying for funding towards the purchase/lease of a compliant vehicle can only do so on a 'like for like' basis. For example, if you currently own a non-compliant 7.5 tonne vehicle, you should be looking to purchase a compliant 7.5 tonne vehicle.