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**To: Economy and Regeneration Policy Board**

**On: 24 January 2023**

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**Report by: Chief Executive**

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**Heading: Net Zero Business Support and Grants**

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**1. Summary**

- 1.1 This report updates Board on the Green Economy workstream, including the Net Zero Business Grant fund launched in May 2022 and wider support to businesses.
- 1.2 The grant fund has garnered significant interest however conversions to successful applications have been limited. This paper provides an overview of the fund to date, next steps to increase successful applicants, as well as the wider green economy support package being progressed with City Region Partners.

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**2. Recommendations**

- 2.1 Board members are asked to:
  - (i) Note the contents of the report.

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**3. Background**

- 3.1 Green Economy was a new area of work for the Council in 2022 and a new post was created within Economic Development to progress this. The purpose of the role is to promote sustainable economic growth, support businesses to achieve net zero and support the delivery of a just transition as Renfrewshire Council moves towards achieving its net zero ambitions.

- 32 There are over 4,500 businesses operating in Renfrewshire and each generates carbon emissions through their use of buildings and transport as well as industrial or farming processes.
- 33 Businesses are being encouraged to reduce the impacts of climate change by determining the size of their carbon footprint, identifying which parts of the business contribute most to the production of greenhouse gas emissions and strategically planning what actions are needed to take to make the business more sustainable.
- 34 This workstream is being progressed principally through the delivery of a package of green business support, including the net zero business grant, an approach which is now being developed with City Region partners to ensure consistency throughout the region.

#### **4. Net Zero Business Grant**

- 4.1 An initial action within the Green Economy remit was the design and implementation of a Net Zero Business Grant for Renfrewshire.
- 4.2 The Net Zero Business Grant was established via resources secured through the Climate Change Action Fund and Local Authority Covid Economic Recovery Fund earlier this year and was launched in June 2022. Since then additional funding has been identified through the Business Theme of the UK Shared Prosperity Fund. The total fund available to end of March 2025 is around £500,000.
- 4.3 The fund was launched in June 2022 and is open to small and medium sized enterprises with premises within Renfrewshire. Local businesses can apply for up to £10,000, to a maximum of 50% grant rate, towards eligible projects which will reduce their carbon emissions.
- 4.4 In order to measure emission reductions, the application process requires potential applicants to gather baseline carbon footprint information for their organisation and to demonstrate how the proposed project will reduce their future emissions.
- 4.5 The fund has attracted a significant number of enquires however, thus far there has been only one successful application resulting in a funding award.
- 4.6 It is considered that there are multiple factors contributing to the low conversion rate, including:
- The fund requires an initial carbon footprint assessment however there is a lack of knowledge and capacity to undertake carbon reviews of organisations;
  - Technology is still developing and there is a lack of access to technical skills and trades required to develop feasible projects;

- Increasing cost of doing business reduces capital available for businesses to invest in improvements. The grant fund currently requires 50% match funding which could be prohibitive to some.

4.7 A survey of Renfrewshire businesses is currently underway. This survey provides a platform for businesses to communicate the obstacles and challenges they face on the road to achieving net zero. Feedback from this survey will be used to inform our approach to green business support provision.

## 5. Challenges & Next Steps

5.1 In the last two months there have been a number of meetings at City Region level to share expertise and to work collectively on the Green Economy agenda. Every area has committed to using UK Shared Prosperity Funding to bolster Net Zero activities for businesses across the eight local authorities. Some areas, such as Renfrewshire and North Lanarkshire, have already started providing services and grants and are learning from each other in terms of what is working well and where a different approach is required.

5.2 Across the City Region there is a new commitment to:

- provide a business grant programme in every local authority area to reduce carbon emissions;
- co-ordinate and deliver training to upskill business advisors and to equip them with the ability to support businesses to mainstream sustainability into business models and assist organisations to address new climate regulations as they come into force.
- Consider jointly funding additional technical support to carry out assessments across the city region.

5.3 To address the obstacles identified to date within the Renfrewshire Net Zero fund a range of changes are proposed:

- **Upskilling and Awareness:** To raise awareness and promote climate literacy, a series of Net Zero events will be held throughout 2023, bringing together speakers and workshops from organisations who have positively engaged in the green agenda to share experience and best practice.
- **Technical Support:** consultancy services will be procured to provide the technical support required to deliver carbon baselining for a few businesses. This service will be available to SMEs based within Renfrewshire, identified through the Net Zero Grant process. Eligible SMEs will be provided access to consultancy services to deliver a carbon baseline review for their organisation. This baseline can then be used to inform investment decisions, set carbon reduction targets, monitor impacts and encourage on-going evaluation of their net zero journey. In addition, baselining will not always be required in advance of grant applications and can be carried out as the project progresses where it is clear that the activities are more carbon efficient and will make a saving.

- **Business Training:** funding for sustainability training will be allocated to support businesses to build knowledge and capacity within their organisation and promote the appointment of “green champions” to take forward this agenda.

## 6. Conclusion

- 6.1 The Green Economy is still a relatively new and evolving area of work. Technical skills and expertise are not always available and businesses are apprehensive about the effectiveness and efficiencies of new technologies. There is an enthusiasm for the agenda but a reluctance to be the pilot / tester business.
- 6.2 The move to greater collaboration with City Region partners and the development of City Region approaches will reinforce the importance of the agenda and will provide shared good practise and experiences that should support improved services in green business support.
- 6.3 Specifically for Renfrewshire Council, the recommended combination of staff training, interactive events and consultancy services will provide a package of support to allow prospective applicants to explore the green options available to them. It will also provide sufficient knowledge and expertise for organisations to make informed investment decisions in relation to the sustainability of their organisation. Subsequently, organisations will be in a better position to access grant support for feasible and significant carbon reducing projects.

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## Implications of the Report

1. **Financial - No additional finance sought.** Resources from the existing Climate Change Action Fund, the Local Authority Covid Economic Recovery Fund and the UK Shared Prosperity Fund would ensure that business support is available.
2. **HR & Organisational Development – None.**
3. **Community/Council Planning**
  - Jobs and the Economy – progresses net zero agenda and green business support.
4. **Legal – None.**
5. **Property/Assets- None.**
6. **Information Technology – None.**
7. **Equality & Human Rights-** The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals’ human rights have been identified arising from the recommendations contained in the report.

8. **Health & Safety-** None.
9. **Procurement –** None.
10. **Risk-** None.
11. **Privacy Impact-** None.
12. **Cosla Policy Position-** Not Applicable.

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