

**Subject: Business Decarbonisation Support Programme**

**Report of: Maria Antoniou**

**Portfolio: Jobs, Innovation and Growth**

## Report Summary

Reducing carbon emissions, supporting business growth and creating green jobs are key priorities for the North of Tyne Combined Authority (NTCA). In January 2022, NTCA's Cabinet approved an indicative £0.8m for a programme of advice and support for businesses to help them reduce their carbon emissions. This was in response to several recommendations from NTCA's Citizens' Assembly on Climate Change.

The purpose of this report is to seek approval of £800,000 of funding to Newcastle City Council to deliver a Business Decarbonisation Support Programme for the North of Tyne region.

## Recommendations

The Chief Executive is recommended to:

- i. Approve £800,000 for the BEST SME Decarbonisation Programme, subject to the funding conditions set out in paragraph 1.6.

### 1. Background Information, Proposals and Timetable for Implementation

On 25<sup>th</sup> January 2022, NTCA Cabinet approved an indicative £800,000 for a programme of advice and support for businesses to help them reduce their carbon emissions. Cabinet also approved the Chief Executive to be authorised, in consultation with the Mayor, lead Cabinet Members and Investment Panel to agree the appropriate delivery mechanism for this programme and consider and approve the business case (s) for this activity.

<b>Proposal Name</b>	Business Energy Saving Team (BEST)
<b>Lead Organisation</b>	Newcastle City Council
<b>Delivery Areas</b>	North of Tyne
<b>Timescales</b>	February 2023 – January 2025
<b>Project Value</b>	£1,341,667
<b>Grant / Loan amount requested</b>	£800,000

- 1.1 The project, called Business Energy Saving Team (BEST), will be led by Newcastle City Council (NCC) on behalf of three local authorities (Newcastle upon Tyne, North Tyneside and Northumberland). BEST will help small and medium-sized enterprises (SMEs) and Voluntary, Community and Social Enterprises (VCSEs) from a broad range of sectors and communities across the North of Tyne region achieve reductions in energy costs and greenhouse gas (GHG) emissions, thereby increasing business resilience and adaptive capacity to meet net zero target and support economic growth. BEST will do this through the provision of business, financial, legal and commercial advice which will reduce carbon emissions and utility costs. It will also include a grant element to enable installation of energy efficiency measures and renewable energy. The programme will help remove barriers to investing in decarbonisation measures, enabling businesses to play a part in tackling climate change and save money.

- 1.2 BEST will also facilitate the growth in retrofit and low carbon tech sector in the region through the development of a supplier directory, providing opportunities for local installers to obtain work emerging from energy audit recommendations. Through the BEST website the project will make available opportunities to quote for work and use this space to link installers to other opportunities with partner programmes, for example housing retrofit and local heat networks. BEST will support local installers with accessing training and skills procurement opportunities and business support in the region, raising awareness and signposting to partner programmes, accreditation routes and opportunities.
- 1.3 The project will:
- Deliver a tailored energy efficiency support programme for 120 SMEs and VCSE organisations in the North of Tyne area by January 2025.
  - Provide energy efficiency grant support to 49 SMEs, achieving 677 tonnes of GHG savings. The grant will contribute towards the cost of installing improvements which deliver energy and carbon savings to eligible SMEs, safeguarding 20 jobs and supporting the creation of 10 jobs,
  - In addition the project will build capacity and expertise which can be shared across the North of Tyne.
- 1.4 An external appraisal has been undertaken which gave the business case an overall RAG rating of Green which means the project presents a clear and comprehensive response to the key assessment questions. The business case was comprehensive and evidenced by NCC's work on BEST1, for which the expenditure, outputs and outcomes have been drawn upon.
- 1.5 Officers have also been in discussions with local authorities in the wider North East region about the opportunity to align delivery of an energy efficiency support programme for SMEs and VCSE organisations over a wider geography. Decisions in these local authority areas will be subject to their assurance and governance procedures and we will continue to explore options for streamlined delivery and alignment of programmes.
- 1.6 NTCA Investment Panel considered the proposal by written procedure on 9<sup>th</sup> December and recommended to the Chief Executive that £800,000 is agreed subject to the full business case being updated following the appraisal.

## 2. Potential Impact on Objectives

- 2.1 Programme delivery as described in the report is consistent with the priorities set out in NTCA's Corporate Plan and in line with NTCA's Citizens' Assembly recommendations and the allocation agreed by Cabinet in January 2022.

## 3. Key Risks

- 3.1 Risks associated with the funding application is considered as part of the application and appraisal process. The conditions associated with funding approvals relate to the mitigation of risks.

## 4. Financial and Other Resources Implications

- 4.1 £800,000 is allocated to this proposal from the £1.8m UKSPF funding to be spent by 2025. In line with our agreed claim process, grants will be paid at the agreed intervention rate quarterly in arrears and upon verification of costs.

## 5. Legal Implications

- 5.1 The Interim Monitoring Officer's comments have been incorporated within this report. NTCA's proposed model of project delivery for the Business Decarbonisation Programme is fully compliant with the new UK subsidy control regime.

## 6. Equalities Implications

**6.1** NTCA is committed to driving equality and diversity. The project is not designed to target individuals or cohorts. The project is intended to target organisations located through the North of Tyne region and a diverse range of SMEs and VCSEs are expected to receive support. NCC and its delivery partners are committed to promoting equality and diversity in the services provided, as an employer in partnerships and in the decisions made. They are all subject to the public sector general and specific equalities duties as contained within the Equality Act 2010. After an initial screening exercise, no actual/potential impacts on protected groups has been identified.

## **7. Inclusive Economy Implications**

**7.1** As part of the appraisal, the project was assessed on its inclusive economy case. The applicant has set out how the scheme can provide some employment opportunities in the supply chain, and these are likely to be local. The application also sets out the track record of BEST 1 in assisting the voluntary and third economy sectors. Providers within the scheme are expected to sign up to the Good Work Pledge. For areas identified which could be strengthened, NTCA has provided feedback to NCC, who will consider what can be put in place to improve delivery.

## **8. Climate Change Implications**

**8.1** This proposal will support SMEs and VCSE organisations to reduce their carbon emissions. The project will help create greener jobs by supporting the retrofit and low carbon tech sector through creating a supplier directory with local opportunities. This will demonstrate the increasing demand for green skills. NCC will also work with the supply chain and skills providers to drive both upskilling and opportunities in retrofit and innovative energy solutions through publishing information on training and accreditation routes.

## **9. Consultation and Engagement**

**9.1** The project has been discussed at officer level across NTCA and its constituent local authorities, the Technical Officers Group meeting, and Investment Panel.

## **10. Appendices**

**10.1** None

## **11. Background Papers**

**11.1** Cabinet report, 25 January 2022, NTCA Response to NTCA Citizens' Assembly Recommendations on Energy, Skills and Housing: <https://www.northoftyne-ca.gov.uk/wp-content/uploads/2022/01/Agenda-25.01.2022.pdf>

## **12. Contact Officers**

**12.1** Maria Antoniou, Principal Economy & Strategy Manager, [maria.antoniou@northoftyne-ca.gov.uk](mailto:maria.antoniou@northoftyne-ca.gov.uk)

## **13. Glossary**

NTCA – North of Tyne Combined Authority  
NCC – Newcastle City Council  
BEST- Business Energy Saving Team  
SME – Small and Medium-sized enterprises  
VCSE – Voluntary, Community and Social Enterprise  
GHG – Greenhouse Gas

## **14. Sign-off**

1) North of Tyne Mayor: Yes	2) Portfolio holder: Yes	3) Director of P&P/Head of Service: Yes	4) Director of Finance: Yes	5) Monitoring Officer: Yes
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