

Skills, Economy and Growth Scrutiny Commission

Decarbonising Hackney's economy/Supporting SMEs to decarbonise

22nd February 2022

Context

- The Council is committed to responding to the climate emergency, and **reaching net zero by 2040**
- **7 x thematic Climate Action Plans** are currently being developed by working groups across the Council to set out the Council's approach to delivering net zero.

RETROFIT

LOW CARBON DEVELOPMENT

RENEWABLE POWER

LOW CARBON TRANSPORT

CONSUMPTION EMISSIONS

GREEN ECONOMY & JUST TRANSITION

RESILIENT AND GREEN

Businesses and net zero in Hackney

1. Businesses in Hackney and transitioning to the **green economy**
(businesses in green industries and associated green jobs)

2. Businesses in Hackney and **supporting green consumption**
(greener consumer choices and spending)

3. Businesses in Hackney and **contributing to net zero**
(greener business practices and operations)

1. What is the Green Economy?

London's sub-regional partnerships (Central London Forward, Local London, South London Partnership and West London Alliance) commissioned WPI Economics to develop an **operational definition of green jobs** and use this to research London's existing green economy and make projections for its growth.

The different types of green jobs/green business sectors identified by the WPI Economics research are set out below:

- **HOMES & BUILDINGS**
- **LOW CARBON TRANSPORT**
- **GREEN FINANCE**
- **POWER**
- **CLIMATE ADAPTION**
- **CLIMATE CHANGE RESEARCH AND DEVELOPMENT**
- **CLIMATE CHANGE STRATEGY, POLICY, MONITORING & PLANNING**
- **INDUSTRIAL DECARBONISATION**
- **REDUCE, REUSE, RECYCLE**
- **GREEN INFRASTRUCTURE**
- **REDUCING LOCALISED POLLUTION**

Projecting the opportunity

147,000 in 2020 → 335,000 in 2030 → 732,000 in 2050

.... representing a near-5-fold increase of Green Jobs in London.

The WPI Economics report also predicts that in addition to the jobs that will be created by the transition to net zero, there will be many jobs lost in carbon-intensive industries.

A JUST TRANSITION

The predicted growth in green businesses sectors and jobs in London presents real economic opportunities for Hackney but

It is vital that these changes happen in a *just way*. This means support for people who may not be able to access these opportunities and lose out. New opportunities in Hackney should be available to everyone, rather than being allowed to compound existing inequalities in the economy. The green economy as a whole should be diverse and inclusive.

2. What is Green Consumption?

**Climate friendly,
healthy and
affordable food for
purchase**

**Reduce food
waste** and increase
recycling of
unavoidable food
waste

**Single use
plastics and
circular models**

**Ethical and
sustainable
business models**

**Empower residents
to make greener
choices when using
and purchasing
from local
businesses**

**Sustainable
electrical items for
use and purchase**

**Sustainable
clothing for
purchase**

Low carbon policy

3. Businesses in Hackney and contributing to net zero

RETROFIT

LOW CARBON DEVELOPMENT

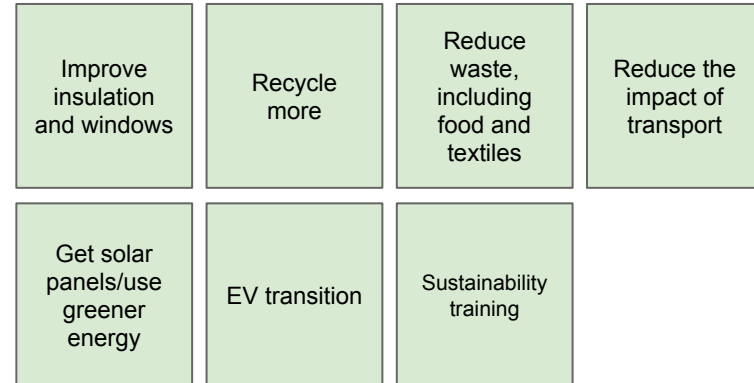
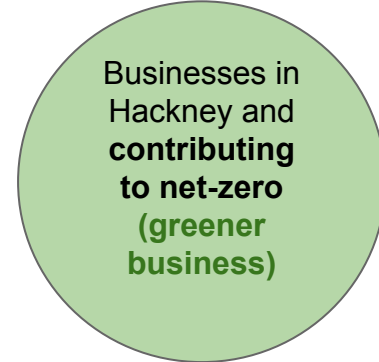
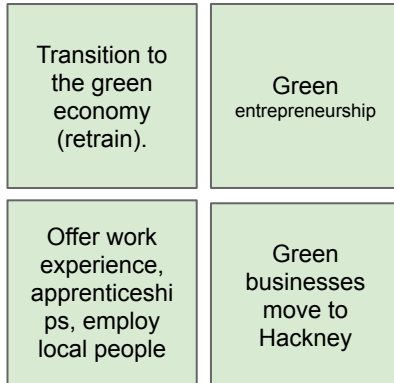
RENEWABLE POWER

LOW CARBON TRANSPORT

RESILIENT AND GREEN

How much do small businesses understand what is required to shift to net zero?

What is required to shift to net zero? Some ideas...



Understanding of the need to shift to net zero

Contributing to net zero (London data)

- Awareness of businesses in London of the UK government's target to bring all greenhouse gas emissions to net zero by 2050 has significantly risen since last year – **(81% in 2020, 89% in 2021)**.
- The rise in awareness of net zero targets has not led to an increase in London businesses doing something to reduce their environmental impact – consistent with 2020, a fifth are not taking any action (23%).
- **Local Hackney business survey needed to understand scale of understanding in Hackney.**

Consumption emissions

- Some businesses in Hackney recognizing that consumers 'vote with their feet', and choose to support retailers whose values align with their own.

Transition to the green economy

- Further research needed to understand the space and skills requirements post pandemic and the shift needed for businesses to fully participate in the green economy.

What is within the control of businesses? What do they need support with?

**How much of a challenge is it for small businesses to shift to net zero?
What work has been done to assess the challenges facing them?**

Quick, low cost

- Lighting – use LED bulbs for greater efficiency
- Heating – put your thermostat on a timer and seal your windows for extra insulation
- Office equipment – try to turn off and unplug devices when they're not being used
- Switch to a green energy tariff with your energy supplier. This will reduce your reliance on energy produced by fossil fuels.
- Recycle waste to prevent it being taken to landfill sites where it takes longer to break down and causes more emissions.

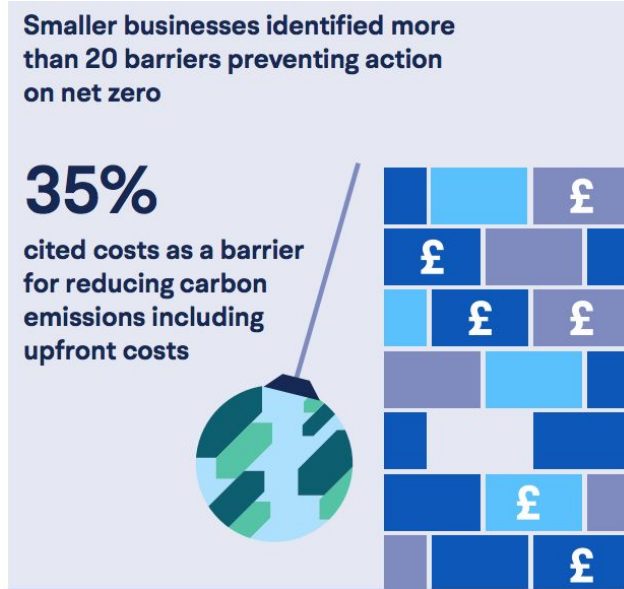
Longer term actions

- Improving insulation and replacing old windows.
- installing renewable sources of energy.
- Green supply chain
- Measure emissions
- Reducing transport emissions

Changing business practices

- Retraining
- Rebranding
- Developing ESG businesses approaches

Key barriers to delivery - National trends



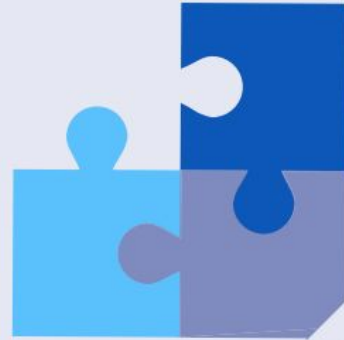
32%

cited feasibility, such as lack of control due to tenancy agreements or lack of an appropriate technology



12%

cited lack of information



Key barriers to delivery - London trends

Figure 9. Top three barriers for each type of action

Greener technologies	Adapting products/ services	Using sustainable suppliers	Encouraging remote working	Offsetting greenhouse gasses
<i>All not taking this action (n=663)</i>	<i>All not taking this action (n=676)</i>	<i>All not taking this action (n=696)</i>	<i>All not taking this action (n=730)</i>	<i>All not taking this action (n=1,016)</i>
Not appropriate for our business (26%)	Not appropriate for our business (24%)	Not appropriate for our business (20%)	Not appropriate for our business (32%)	Not appropriate for our business (22%)
Initial upfront costs (24%)	Initial upfront costs (17%)	Higher operating costs (19%)	Higher operating costs (11%)	Higher operating costs (17%)
Higher operating costs (20%)	Higher operating costs (16%)	Lack of resources/ time (16%)	Lack of appropriate substitutes (10%)	Initial/ upfront costs (14%)

N.1: Understanding

N.2: Costs

N.3: Time

- London businesses have considerable **appetite for local improvements**, such as enhanced recycling services (37%,) and green transport/freight support (22%)
- London businesses are most favourable about financial incentives, such as **tax breaks for environmentally-friendly businesses** (38%) or green grants (32%).
- Firms would welcome **advice and support**, including information on how their company can be more sustainable (27%), technical advice on retrofitting for energy efficiency (17%), or business opportunities/networking (17%)

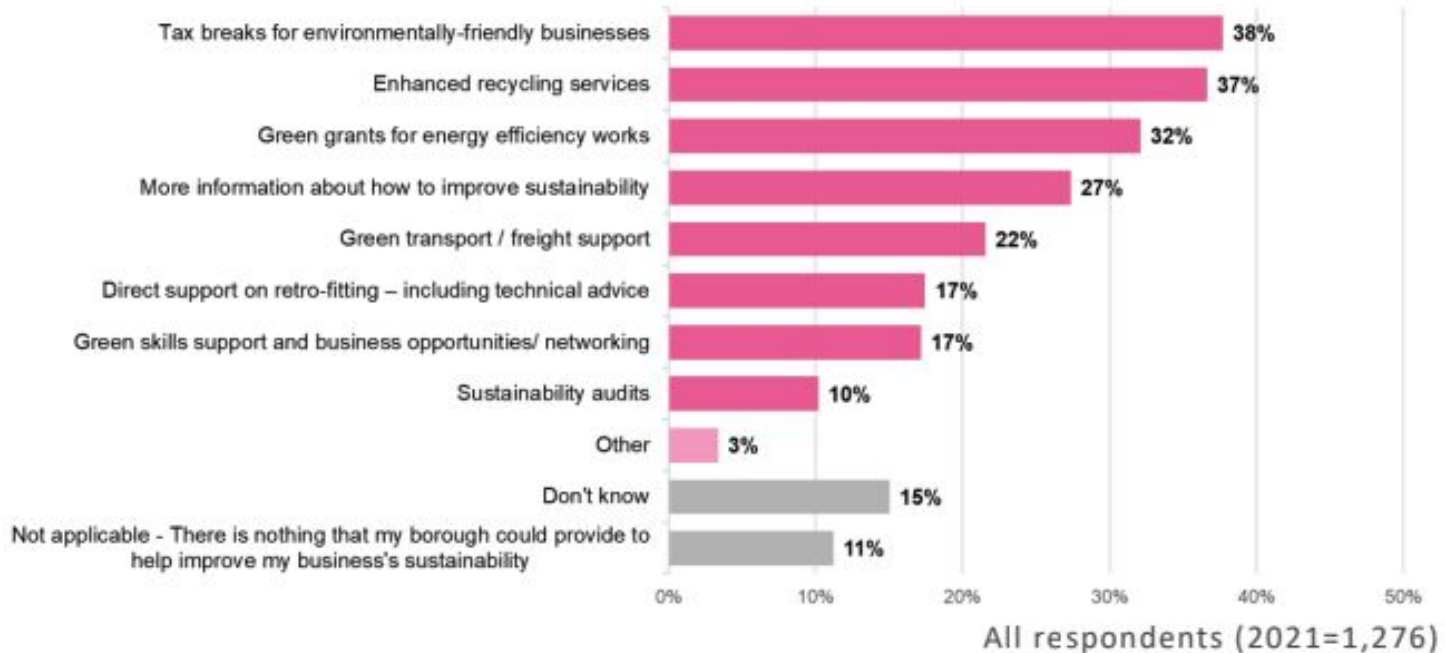
Large businesses are the most confident that their staff currently have the skills necessary to reduce carbon emissions (45%), significantly more so than medium (28%) or micro/small (31%) businesses.

Micro/small businesses are particularly likely to not know how to access the skills they need to respond to net zero objectives (27%), compared to only one in ten large businesses who say the same (10%).

Hackney Context: Business Numbers and sectors: Total number of businesses: 22,340 *(Source: ONS 2020)*

Size	Employees	Business count
Micro	0 - 9	20,400
Small	10 - 49	1,640
Medium	50 - 249	255
Large	250+	45

Figure 11. Local borough support desired



What research has been done on how small businesses approach this challenge?

Case Studies: Zero Emissions Network



Acacia Management Facilities - E-Bike Grant

Acacia Facilities has reduced the use of a business vehicle by purchasing two e-bikes with the help of the ZEN Workplace Travel Grant.



Secret Smokehouse - Electric Van Trial

Secret Smokehouse trialed an electric van to see if it was the right choice for the business.

Case Studies: Businesses supporting greener consumerism

'I went to the new eco-friendly Marks and Spencer Foodhall in London to try and do a plastic-free shop'

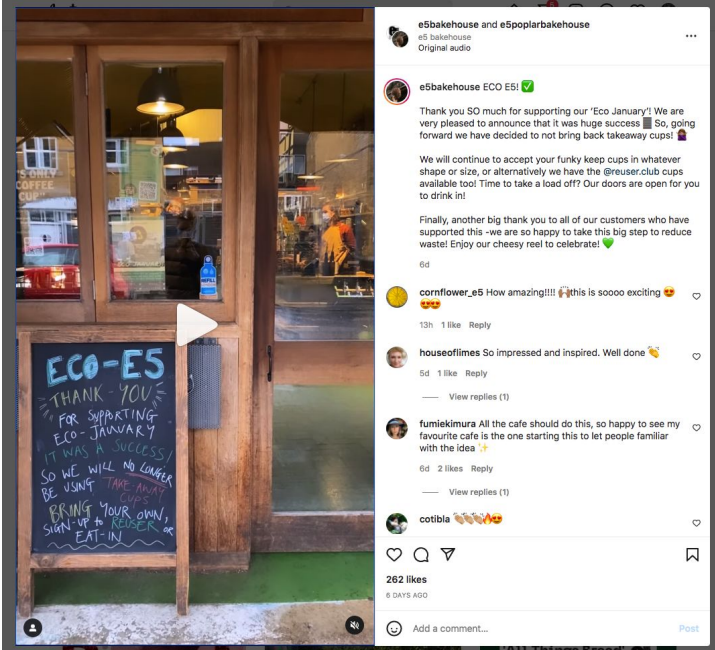
M&S has recently opened a revamped Hackney Foodhall with an emphasis on eco-friendly shopping - but is it enough to do a plastic-free shop?

SHARE     COMMENTS  By **Rachael Davis** Features Writer
18:58, 8 OCT 2021 | UPDATED 09:20, 28 OCT 2021

LIFESTYLE OPINION



Could I do my whole weekly shop plastic-free at Marks and Spencer's new and improved Hackney Foodhall? Not quite, but it was easier than ever to try (my first attempt)



Case Studies: Innovation and green economy

Olympic Park Innovation District

The Olympic Park Innovation District is a hub for emerging technologies, including sustainable and clean tech, formed of a partnership between academia (Imperial College London), business (Engie, Intel Labs) and the national and international innovation community (Future Cities Catapult, EIT Climate-KIC).

The Queen Elizabeth Olympic Park is one of the first examples of Climate KIC-sponsored Smart Sustainable Districts. It is a sustainable urban park, presenting digital innovation and data alongside homes, a cultural quarter hosting performing and visual arts, as well as commercial space and innovation. The London Aquatics Centre and Copper Box Arena will be the initial focus of research to increase the resource efficiency of non-domestic buildings to make sure they are future-ready.



What support is being provided to small businesses? By whom? in what form?

What role do they think local authorities need to play to support SMEs to shift to practises, business models and procurement that are aligned to net zero?

External bodies supporting businesses

Advising on Net Zero

- The UK Green Building Council (GBC) – offers sustainability advice, courses and networking for paid members
- the Centre for Low Emission Construction – provides guidance on reducing emissions
- Construction Industry Research and Information Association (CIRIA) – provides information on waste issues relevant to the construction industry
- Federation of Small Business
- Broadway Initiative
- Zero Business Network
- Hackney Business Network
- London Growth Hub

GLA funding for Net Zero

- The following grants, schemes and loan programmes are available in London:
 - ❑ Greater London Fund invests in early stage companies with an average investment of £400,000 to £1M – part of the fund is set aside for companies that reduce waste
 - ❑ Greater London Investment Fund offers loans from £100,000 to £1M to limited company SMEs – repayment term is 3 to 5 years and interest rates vary

The role of the Council

- Development and delivery of the Climate Action Plan
- To lead and steer inclusive regeneration and economic development that contributes to meeting net zero
- Influencing, steering and supporting external stakeholders, partners, businesses, residents and community groups
- Delivering and coordinating projects and programmes that contribute to net zero e.g retrofit of homes and commercial premises, green infrastructure, zero emissions network, more sustainable transport etc.
- Business engagement, support, and communications
- Planning system and building control powers
- Landlord engagement and Council role as a landlord
- Communication & signposting
- Unlocking funding opportunities
- Identifying and administering funding to deliver on net zero ambitions

What the Council is already doing

Low Traffic Neighbourhoods

Low Traffic Neighbourhoods have been implemented in several areas around Hackney. Explore these below. If you are in these areas or know them well, get in touch, and we'll put you in touch with other residents supportive of the initiatives.

Hackney Downs LTN

Hoxton West LTN

London Fields LTN



CDT HACKNEY WICK & FISH ISLAND

Community Action About Blog Contact

22 Jul - Written by HEB CDT

Hackney Wick secures initial investment to be a greener, cleaner, healthier place

Hackney Wick and Fish Island Community Development Trust (HWN CDT) is pleased to announce it and its partners have been successful in a bid to the Greater London Authority's High Street for All Challenge.

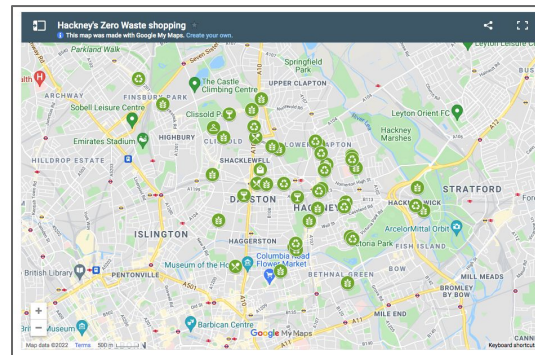
The HWN CDT worked with nearly 20 organisations locally to submit a bid based on a circular theme:

- establishing a circular high street in Hackney Wick by creating wayfinding and signage to improve resident and visitor experience of the place, and spread footfall across the area
- establishing a circular economy – in practice to reuse, recycle and reduce waste and reduce carbon emissions – by bringing together communities, charity and civic organisations, business and institutions to design a strategy to tackle local environmental issues

FREE OFFERS FOR ZEN MEMBERS

The ZEN offers a range of emission reducing measures to members of the network - all for free! Just click on the offer you're interested in to book now.

E-bike Switch	Car Clubs	Dr Bike	Cargo Bike Training	Cargo Bike Maintenance Service	Cargo Bike Trial
Cargo Bike Package	Fix Your Bike Course	Electric Minicabs	Electric Van Trials	Cycle Hire Discounts	Grants
Workplace Grants	Cycle Training	E-Scoter Trials	Cycle Safety Seminar	E-bike Trial	Courier Services



Electric vehicle charging points in Hackney

Hide list of categories

- Free standing Fast (48 items shown)
- Free standing Rapid (11 items shown)
- Free standing Smart Fast (15 items shown)
- Lamp columns (81 items shown)

Electric vehicles chargers

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Council programmes to support businesses to move to net zero

Using Government Covid-19 grant funding, the Council has developed a range of different grant funding schemes to support businesses in adopting greener more sustainable businesses practices (in addition to the Zero Emissions Network which is already in place). These are set out below:

- Adapt Your Business Programme: £405k available for businesses across Hackney to bid for adaptations to make to their business as a result of the Covid-19 pandemic and/or to make their business more sustainable.
- Hackney Central Impact and Ideas Fund: £360k available for businesses across Hackney to deliver projects and interventions in Hackney Central that align with the aims of the emerging Hackney Central Strategy, including making businesses greener and more sustainable.
- Hackney High Streets and Town Centres Fund: £500k available for high street and town centre businesses to support the vitality and viability of Hackney's high streets and town centres, including making businesses greener and more sustainable.
- Allia Business Support Programmes: £50k funding available for Hackney businesses to access Allia's business support programmes aimed at supporting small businesses to grow and helping ventures to create greater social and environmental innovation.

NEXT STEPS

- Continued development of the Hackney Climate Action Plan
- Further research into the existing green economy and green jobs in Hackney and opportunities for the future
- Preparation of the Hackney Economic Development Strategy
- Hackney business survey
- Engagement, support and communications with businesses
- Delivery of grant funding to business