

Skills Economy and Growth Scrutiny Commission on *Decarbonising the economy*

Some key questions to explore:

What can be done by Hackney Council itself to help small businesses with decarbonising their business? What support is the council currently offering and/or planning to offer, such as: communications campaigns, vouchers, changes to local waste and recycling systems, changes to business rates, acting as a catalyst to set up new support networks for local SMEs?

Small business owners are under immense pressure at the moment. How can the council ensure that the support they offer increases or at least maintains the financial viability of the businesses, and designs in carbon reductions as much as possible as a cost reduction or business opportunity?

Summary of findings of some key reports as at Feb 2022

1.) 'Accelerating Progress - empowering small businesses in the journey to Net Zero' (FSB; Nov 2021)

<https://www.fsb.org.uk/resource-report/accelerating-progress.html>

FSB is a non-profit making, grassroots and non-party political business organisation that represents 160,000 members. Set up in 1974, it lobbies for the UK's 5.6 million small businesses, micro businesses and the self-employed. They have a comprehensive set of guides and resources at <https://www.fsb.org.uk/skills-hub/knowledge/sustainability.html>

They surveyed their members on knowledge of and attitudes towards climate change and its impact on small businesses. They surveyed energy usage and action taken to reduce waste and increase recycling. **Recommendation are:**

Supporting businesses to make a plan

LEPs and Combined Authorities in England should be required to set out net zero **engagement plans** by the end of 2022, and plan a **sector-specific messaging campaign** until 2025.

The UK Government should issue **£5,000 vouchers** for businesses to spend on qualifying environmental products and services under a Help To Green initiative.

In England, the UK Government should expand the scope of the lifetime skills guarantee to **support green skills**.

The Northern Ireland Assembly should ensure Climate Change Legislation is passed within the current electoral mandate to avoid further delay and uncertainty.

In Northern Ireland, the Department of Agriculture, Environment and Rural Affairs should establish a Climate Change Stakeholder Group.

Energy

UK Government and Ofgem should establish a **taskforce** of suppliers, small business landlords and business groups to agree how to cut energy use in rented premises.
UK Government should review the **law on commercial tenancies** to prevent commercial leases from blocking low-carbon improvements.
UK Government should utilise its new powers, having left the EU, and alter **(lower) the capital requirements** banks must adhere to when lending to businesses for green improvements.

Waste

Local authorities (in England, Wales and Northern Ireland) should **incorporate small business waste collection services into their domestic collection services** with the costs for these waste collection services included in business rate charges.
Small businesses should have access to **reuse and recycling centres** operated by councils – building on a permit system that operates for tradespeople in some local authorities.

Transport

Governments across the UK should ensure that businesses operating in and around Clean Air Zones or Low Emission Zones receive their charges back in form of **grants for the purchase of a zero emission vehicle**.

Governments across the UK must publish a coherent set of target-based infrastructure strategies to deliver the necessary **charging and rapid charging infrastructure** by 2030. **The Plug-in Car Grant** should be extended and funded beyond March 2023, to give small businesses confidence in planning their transition to zero emission vehicles until 2030.
UK Government should introduce a **scrappage scheme** where diesel commercial vehicles can be recycled in exchange for grants towards cleaner hybrids and zero emission vehicles.

Tax and finance

The UK Government should establish a commission of industry experts to begin consultation on a **future road charging system**.

The UK Government should **exempt green investments** and improvements in premises, such as installing ventilation or solar panels, from inclusion in a **business rates** assessment.
The UK Government should encourage investment and R&D by allowing businesses to **write off losses** at a similar rate at which gains are taxed.

2.) Zero Carbon Business

<https://zerocarbonbusiness.uk/about/>

The Zero Carbon Business service is a partnership between business organisations, energy networks and professional bodies to give small businesses the advice they need to reduce their carbon emissions. Initiated by FSB and British Chambers of Commerce. A discovery phase was undertaken to understand the advice needs of small businesses before developing the service. The report of the discovery phase is [here](#). They provide a practical list of guides to action [here](#). In April 2021 they published a report highlighting seven main requirements for SMEs to reach zero. The press release is here: [here](#).

- **Clear information** – Businesses are confused by the language of net zero, unclear about what policy changes will affect their businesses, and necessary information is not reaching them. They require simplified and standardised language targeting SME climate action.
- **Staying in business** – SMEs care and are aware of the need to decarbonise, but they need help to reconcile carbon reduction with staying in business. Financial viability should be at the heart of messages about carbon reduction.
- **Financial and digital literacy support** – Those making faster progress towards net zero have better financial skills and digital literacy. 90% of all jobs will involve digital skills by 2025. Without collaborative, integrated solutions and support, many SMEs will struggle.
- **Trust and transparency** – SMEs trust trade bodies and business groups over institutions and official narratives. Within an information service, trade bodies could enhance trust and transparency through feedback about SMEs' experience of the net zero transition.
- **Peer-to-peer relationships** – SMEs need examples of good carbon reduction strategies. Peer-to-peer support structures, particularly at local levels, will enhance trust, capacity and confidence to act, particularly within as-yet immature low-carbon supply chains.
- **Meeting the challenge of COVID-19** – SMEs are too stressed to think beyond immediate survival. Services must offer uncomplicated guidance for the first steps on SMEs' net zero journey, and show that a green recovery is the way to meet the challenge of COVID-19.
- **A joined-up narrative** – SMEs are more engaged with climate issues, even if they do not use the language of net zero. But pragmatic actions are hampered by confusion over definitions and meanings. SMEs need a joined-up narrative to cut through the confusing jargon.

3.) Hammersmith and Fulham Council initiatives

<https://www.lbhf.gov.uk/environment>

Hammersmith & Fulham Council has been named the [top council in London and ninth in the UK](#) for climate emergency plans. The independent assessment was done by not-for-profit organisation Climate Emergency UK using their [expert-approved checklist](#). This excerpt from their *H&F Climate and Ecology Strategy* summarises how they will focus on the local economy:

Benefits

The driver for this workstream is to decarbonise our local economy, but various additional benefits and opportunities arise from this work including:

- *Economic recovery and green growth.*
- *Jobs for residents fit for the future.*
- *Future-proofing businesses, and gaining an early adopter advantage in the growing market for low-carbon products.*
- *Opportunities for residents to buy local and green.*
- *Positive spill-over effects of carbon awareness from work into lifestyles*

Objectives of this workstream

The workstream will aim to:

- *Prepare young people and adults for the green economy, ensuring provision exists that enables residents to access green economy jobs.*
- *Support existing low-carbon pioneers, and build H&F as a leader in the green economy*
- *Support a green recovery from Covid-19.*
- *Influence and support our local businesses and partners to reach net zero by 2030.*

4.) 'The Heart of the City' - SMEs taking climate action together

<https://theheartofthecity.com/membership/climate-for-smes-4-steps-to-action/>

This is about a course for SME owners where, in four modules, they'll learn what net zero means, why it's relevant to small businesses, how to build an effective case for doing business sustainably and set a plan for reaching net zero. The aim is for SMEs on a similar journey to meet and network.

5) 'Green Skills Adult Education Provision in London' report by GLA Jan 2022

New research just published by the GLA looks at the future of green jobs & skills in the capital. It argues that the transition to Net Zero will mean an increase in demand for jobs and skills in key areas of our economy from digital skills to project management.

The report is [here](#) and the 6 Recommendations are:

Recommendation 1: The GLA to facilitate partnerships between employers, providers and awarding organisations to support the delivery of green skills, including through the Mayor's Academies Programme

Recommendation 2: Employers to work with providers and other stakeholders to better define and develop suitable career and training pathways to progress into good quality 'green' jobs

Recommendation 3: Awarding Organisations should develop flexible micro qualifications in 'green skills' for trained adults

Recommendation 4: Providers should continue to support digital and STEM skills as part of meeting net zero goals

Recommendation 5: The sector should develop a coordinated green skills teacher training programme

Recommendation 6: Providers and awarding bodies should embed green awareness across the adult curriculum

Recommendation 7: The GLA should continue to actively promote the Importance of green skills to help support the ambition of growing London's green economy

6) Overview of where SMEs can get funding towards New Zero actions and improvements

Anywhere in the UK These support schemes and networks are available

anywhere in the UK:

- [Clean Growth Fund](#) invests in early stage UK companies that are seeking investment capital for low carbon innovation
- [Gigabit vouchers](#) give up to £1,500 for homes and £3,500 for businesses to install high speed internet in rural areas`

- [Smarter Choices](#) gives SMEs free energy assessments and carbon reduction verification funding – must have £20,000 in annual energy costs to qualify
- [BEIS Industrial Energy Efficiency Accelerator](#) partners energy efficient technologies with companies willing to implement them – applications open to all UK industrial sectors until 31 January 2022
- You can also [join your local chamber of commerce](#) from anywhere in the UK.

England These support networks are available in England:

- [Local Enterprise Partnership \(LEP\) growth hubs](#) provide advice on funding, growth and sustainability in 38 regions across England
- [Peer Networks](#) is a government-funded programme that connects similar businesses in LEP areas

London The following grants, schemes and loan programmes are available in Greater 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