

**THIS ITEM IS FOR INFORMATION ONLY**

(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)

<b>Title of meeting:</b>	Cabinet Member for Climate Change and the Green Recovery
<b>Subject:</b>	LoCASE (Low Carbon Across the South East)
<b>Date of meeting:</b>	17 <sup>th</sup> March 2022
<b>Report by:</b>	James Hill, Director of Housing, Neighbourhood and Building Services
<b>Report Author:</b>	Andrew Waggott, Energy Services Team Manager
<b>Wards affected:</b>	All

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**1. Requested by**

Cabinet Member for Climate Change and the Green Recovery

**2. Purpose**

- 2.1 To provide an introduction the Low Carbon Across the South East (LoCASE) project; and the support it gives to local small and medium enterprises (SMEs) to reduce energy use and lower carbon emissions.
- 2.2 To provide analysis of the benefits of the project; particularly the anticipated reductions in energy use and carbon emitted. As well as the inward investment in the local area in terms of jobs in the low-carbon sector.

**3. Background**

- 3.1 Portsmouth City Council (the Council) declared a climate emergency in 2019 which states an ambition to achieve a net zero position for Portsmouth's emissions by 2030. Significant year-on-year reductions in carbon emissions will be required to meet this net zero target across all sectors.
- 3.2 It is estimated, nationally, that SMEs are responsible for around 6% for emissions or 28 million tCO<sub>2</sub>e<sup>[1]</sup>. Although this is a relatively small percentage overall, they are often the organisations which find it hardest to invest in energy efficiency, because of limited resources.

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<sup>1</sup>

3.3 Portsmouth's Climate Action Board (CAB) has highlighted SMEs as a key priority for decarbonisation.

3.4 8,206 businesses in Portsmouth are SMEs. They are highlighted as of being of key importance to the city's economy in the Portsmouth City Council's Skills and Labour Market Strategy (see section 100D of this document for link).

### 4. LoCASE

4.1 The Council has partnered with Kent County Council (KCC) in order to establish a business case and feed into an application for European Regional Development Funding (ERDF) to support SMEs with low-carbon improvements.

4.2 KCC had previously run two earlier phases of LoCASE in Kent, Essex and Sussex; and so were well placed to bid for an extension in funding and geographical scope.

4.3 The Council's role in LoCASE is to advertise the support that is on offer to as many eligible SMEs in its boundary. The project will run until Spring 2023.

4.4 **Financial Support:** LoCASE can fund SMEs (businesses with fewer than 250 employees) across all sectors, by providing free energy and carbon audits; and by funding 40% of the capital costs of the measures, up to £10,000, identified through the audits. The additional 60% funding must come from the SME.

4.5 **Non-Financial Support:** LoCASE will provide SMEs with access to a number of networking and business engagement events, as well as environmental training opportunities.

4.6 In addition to the support offered to SMEs in all sectors, specific 1:1 business development support is offered to those SMEs working in the low-carbon technology sector to develop their business, for example through marketing and communication strategies.

4.7 Across SMEs sectors, grant funding will be available for carbon-reduction opportunities including:

- **Energy efficiency measures:** including energy efficient heating, lighting, insulation, refrigeration, investment in renewables, machinery upgrades.
- **Transport efficiency:** including second-hand Ultra Low Emission Vehicles (ULEVs), sustainable travel planning and fleet management software.

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<sup>1</sup> **Business energy statistical summary:** An overview of energy consumption, costs and potential savings for the UK non-domestic sector (2018). [https://www.gov.uk/government/publications/business-energy-statistical-summary?\\_ga=2.78192727.2105130563.1646069620-1397741892.1646069620](https://www.gov.uk/government/publications/business-energy-statistical-summary?_ga=2.78192727.2105130563.1646069620-1397741892.1646069620)

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- 4.8 For businesses offering low carbon/environment goods and service, this funding will also be extended to:
- **Development costs:** including marketing, new IT hardware and systems, materials for R&D, website development, certification, and accreditation.
  - **Plant and machinery:** re-tooling and installation of new or replacement machinery and hardware.
  - **Consultancy costs:** such as marketing and business planning consultancy
- 4.9 This third phase of LoCASE has a budget of £30.5 million and is aiming to provide business support to 2,060 SMEs, cut SME carbon emissions by 11,232 tCO<sub>2e</sub>, support 140 new businesses, assist 91 SMEs to cooperate with research institutions, and assist 159 SMEs introduce new to firm products. These are group targets across the regional areas.
- 4.10 Marketing and communications will be key to ensuring the information about this project reaches the relevant businesses and SMEs. Based on the Council's past approaches to campaigns and project with similar audiences, these are the routes for communication which are intended to be used:
- Social media (e.g. Facebook, LinkedIn, Twitter)
  - Local networking and business events
  - Online and physical advertising (e.g. PCC email communications and targeted adverts)
  - Existing business engagement opportunities through the Council
- 4.11 Information packs will be shared with key colleagues within the Council, equipping them with the knowledge to advertise this project's opportunities to the relevant audience.
- 4.12 SMEs will be to register their interest via the online registration form, for their eligibility to be checked by a member of the LoCASE team.
- 4.13 Once their eligibility has been confirmed they will have a needs assessment undertaken, setting out the trajectory for the support they will be offered as listed in 4.7 and 4.8, through which the central LoCASE team will support the entire process.

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Signed by Director of Housing, Neighbourhood and Building Services

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>
Climate Change Strategy	<a href="https://democracy.portsmouth.gov.uk/documents/s25687/Response%20to%20Climate%20Emergency%20Strategy%20appendix%20A.pdf">https://democracy.portsmouth.gov.uk/documents/s25687/Response%20to%20Climate%20Emergency%20Strategy%20appendix%20A.pdf</a>
Skills and Labour Market Strategy	<a href="https://www.portsmouth.gov.uk/wp-content/uploads/2021/06/Skills-and-labour-market-strategy-accessible.pdf">https://www.portsmouth.gov.uk/wp-content/uploads/2021/06/Skills-and-labour-market-strategy-accessible.pdf</a>