

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – TUESDAY 5 JANUARY 2021
REPORT OF THE CORPORATE DIRECTOR (PUBLIC PROTECTION, PLANNING AND GOVERNANCE)

LOW CARBON BUSINESS GRANT SCHEME

1 Executive Summary

- 1.1 At the June Council meeting it was agreed to set up a £50K fund from the general fund balance to provide grants to support local organisations to improve their carbon footprint, the criteria to be established by the Climate Change Group and to be recommended to Cabinet for approval.
- 1.2 The council has signed a Service Level Agreement with the University Of East London (UEL) agreeing to be a delivery partner of the Eastern New Energy (ENE) ERDF project which is a large low carbon project building a stronger local energy and low carbon economy. It covers three Local Enterprise Partnership areas, Hertfordshire, Greater Cambridgeshire & Greater Peterborough and New Anglia.
- 1.3 As part of the ENE project, the council has a target to support 30 Small and Medium Enterprises (SME) businesses which are keen to reduce their carbon footprint and save on energy costs.
- 1.4 To meet the council's ENE target, the opportunity to have an energy audit carried out by the council's Energy Officer will be promoted to local businesses who will each receive a report recommending works to reduce their carbon footprint and identify cost saving opportunities in energy efficiency.
- 1.5 This report has been discussed with the member climate change group who are supportive of it.

2 Recommendation(s)

- 2.1 Cabinet is asked to consider and approve the proposed process and criteria for providing grants to local businesses for the purpose of improving their carbon footprint.
- 2.2 That Cabinet agree that the maximum grant to be paid to each eligible business will be up to £5,000 of agreed energy saving works and that all works to be undertaken by an eligible business must be recommended in the Council's energy audit report, relevant to the particular business and which is provided to the business concerned.
- 2.3 That delegated authority be given to the Head of Planning in conjunction with the Executive Member, Governance, Public Health and Climate Change to amend the carbon emission reduction criteria should this be required once more detailed

information becomes available through the energy audit on local business premises.

3 Explanation

- 3.1 Cabinet agreed at the June Council meeting a budget of £50,000 to support Businesses based in the borough to reduce their carbon footprint as recommended by the Climate Change Group.
- 3.2 The council recently became a delivery partner of the ENE ERDF project which is a transformational scheme, designed to facilitate businesses to use more renewable energy and therefore save on expense through energy efficiency measures.
- 3.3 To meet the council's ENE target to support 30 SME businesses over the life of the project, the Economic Development Service will be promoting the free opportunity to have an energy audit carried out to local SME businesses which will be delivered by the council's Energy Officer who will provide energy efficiency advice and guidance.
- 3.4 An energy audit will result in identifying where energy is possibly going to waste and put a plan of action in place to work towards consistently reducing monthly expenditure by improving on carbon emissions once the energy saving works have been carried out.
- 3.5 Often one of the biggest barriers to moving forward with energy efficiencies is the cost of technology.
- 3.6 A grant will support local businesses in covering the cost of many different energy saving measures including heating systems, lighting and insulation.
- 3.7 In order to be eligible a business must have had an energy audit carried out by the Council and energy improvement works identified.
- 3.8 Businesses will only be eligible to apply for a grant to carry out low carbon works where the energy audit report demonstrates that for every £1,000 of spend there will be a minimum reduction of 0.5 tonnes of carbon emissions per annum. This target is based upon information from energy efficiency firms, and should this criteria not be achievable, it is recommended that delegation be given to the Head of Planning in conjunction with the Executive Member, Governance, Public Health and Climate Change to amend the criteria.

Legal Implications

- 3.1 The council has discretionary powers in relation to energy including section 1 Localism Act 2011 (the general power of competence) and section 111 Local Government Act 1972 (power to do anything (whether or not involving expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions).
- 3.2 On the basis of a Funding Agreement between the University of East London ("UEL") and the Secretary of State for Communities and Local Government, the UEL and the council entered into a Service Level Agreement ("SLA") on 8th April

2020, in relation to the Eastern New Energy (“ENE”) project. Pursuant to the SLA, UEL will provide funding to the council and the Council will achieve certain, specified Outputs in relation to the ENE project. UEL and the council are in the process of agreeing a variation to the SLA to secure that UEL will not reduce, suspend or withhold payment(s) to the council, or require the council to make repayment(s), in circumstances where the council has not achieved the specified Outputs due solely to insufficient businesses having been identified for support.

4 Financial Implications

- 4.1 The process for aware of grant in included in appendix A, and criteria in the report. The business will obtain quotes for the works, which will be required to be evidenced to demonstrate best value. Controls will be in place to ensure that works have been undertaken, and invoices checked against quotations before the grant is paid.
- 4.2 A grant agreement will be drafted to ensure the council’s interests are protected and that funds are used for the purposes provided.
- 4.3 The funds for this scheme of £50k, are held within the Climate Change Earmarked Reserve. As this scheme will run over financial years in line with the ENE project, funds will be released at the end of each year based upon the grants awarded.
- 4.4 Grants will be allocated to local businesses who have had an energy audit carried out by the council’s Energy Officer on a first come first serve basis, up to a maximum value per business of £5,000.

5 Risk Management Implications

- 5.1 The risks related to this proposal is that take-up of the scheme could be low and the council may not meet its ENE target to support 30 SME businesses and therefore spend the full amount of £50K. To minimise this risk the scheme will be promoted through a range of mediums including the monthly e-newsletter sent to around 1700 businesses and a number of key stakeholders have also agreed to promote the scheme.
- 7.2 Grant arrangements can be reviewed if the Council does not meet its targets.

6 Security and Terrorism Implications

- 6.1 None resulting from this report.

7 Procurement Implications

- 7.1 Businesses will be required to obtain a minimum of three quotations for identified works over £1,000.

8 Climate Change Implications

- 8.1 Businesses who take part in the project and carry out energy efficiency works will help contribute to the challenging Government target of an 80% reduction in carbon emissions by 2050, to which Hertfordshire is currently expected to contribute. In addition energy reduction has a direct effect on improving air

quality pollution as home/business heating is a significant source of nitrogen oxide pollution.

- 8.2 The project will contribute towards the council's acknowledgement of a climate change emergency and form part of the Climate Change Strategy.
- 8.3 Based on the criteria, a reduction of a minimum of 25 tonnes of carbon emissions per annum is anticipated.

9 Human Resources Implications

- 9.1 None resulting from this report as all staff members are in post.

10 Health and Wellbeing Implications

- 10.1 None resulting from this report.

11 Communications and Engagement Implications

- 12 A communications plan to support the roll out of the scheme will be developed with the council's communication team, including the promotion of positive uptake stories to help raise awareness of the council's wider climate change agenda.

13 Link to Corporate Priorities

- 13.1 The subject of this report is linked to the Council's Business Plan 2018-2021 and particularly Priority 2 Our Environment and Priority 4 Our Economy.

14 Equalities and Diversity

- 14.1 An Equality Impact Assessment (EIA) was not completed because this report does not propose changes to existing service-related policies or the development of new service-related policies.

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Appendix A: Flow chart of WHBC business energy audit and low carbon grant process.

Appendix A - Welwyn Hatfield Borough Council Business Energy Audit & Low Carbon Grant Process

