



Glasgow City Council

**Neighbourhoods, Housing and Public Realm City
Policy Committee**

Report by Director of Regional Economic Growth

Item 8

27th September 2022

Contact: Kevin Rush

Ext: 74613

GREEN BUSINESS SUPPORT AND GRANT

Purpose of Report:

To consider funding for the Council's new Green Business Grant and programme of Green Business Support.

Recommendations:

Committee is asked to:

- Consider the creation of a Green Business Grant and wrap around business support to SMEs and the use of £689,000 of funding to deliver the Green Business Grant and wrap around support, noting the intention to part-fund this through use of UK Shared Prosperity Funding; and
- Refer the paper to City Administration Committee for approval.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes No consulted: Yes No

1 Background

- 1.1 In November 2021, Committee approved the creation of the Glasgow Green Deal, a 9-year mission to transform the economy to tackle the climate and ecological emergency.
- 1.2. In support of this, the city's draft Economic Strategy includes a commitment to establish a programme of Green Business Support and a Green Business Grant for small and medium-sized enterprises (SMEs). This will help improve capacity and encourage changes that will reduce costs and carbon footprints.
- 1.3 Since then, work has been done to develop a Green Business Grant and associated support programme. In parallel, the Council has also provided early support to businesses by way of a low carbon Research and Development (R&D) grant delivered by Scottish Enterprise for the City Region, and a dedicated £600k programme to develop the Circular Economy through the Chamber of Commerce's 'Step up to Net Zero' programme.
- 1.4 This paper outlines the Council's proposed Green Business Grant and associated advisory support for SMEs and sets out how it will be implemented using future UK Shared Prosperity Fund.

2. Proposed approach

- 2.1 The Green Business Support programme will consist of two main strands:
 - **A green business grant for up to 50 SMEs** - targeted at activities which address both the cost of living and climate crises, for example, energy efficiency, renewables, active travel and waste management; and
 - **Enhanced advice and support for at least 250 businesses** – to assist SMEs with the transition to net-zero carbon and climate resilience. This will align with existing national programmes of support, tailoring them to Glasgow businesses to help build awareness and understanding of actions needed, increase speed of access to funding, and to innovate in areas where support is not currently provided, but where there is an emerging need.
- 2.2 In addition, a programme of CPD (Continuous Professional Development) will be rolled out to staff within the Business Growth function of Economic Development, accredited by the Institute of Environmental Management and Assessment, to strengthen their ability to engage and support businesses.
- 2.3 A breakdown of the costs is provided below, with further detail provided on business support in the relevant sections of the paper:

Item	Amount
Green Business Grant	£500,000
Business advice and support	£175,000
Staff training	£14,000
Total	£689,000

3. Green Business Grant

3.1 The Green Business Grant will be made available as a £500k pot of funding for SMEs who can provide 50% match-funding, with a total grant of £20k of investment into activities that reduce carbon emissions and help address the cost-of-living crisis.

3.2 The grant will be administered by the Business Growth team, with applications taken by Business Advisors. The grant can be used for a range of low-carbon activities, including energy efficiency, replacement doors and windows, heat pumps, Solar PV, replacement of equipment with energy efficient alternatives active travel and EV infrastructure, as well as activities that reduce the amount of waste produced.

3.3 For energy efficiency and renewables, to ensure the grant will be effective in reducing costs and carbon, applicants will be required to have an assessment carried out by Business Energy Scotland or Scottish Enterprise. This will ensure the business has a clear, actionable plan to reduce emissions and costs.

3.4 The Council will actively work with businesses who have received support through Business Energy Scotland’s SME Loan Fund to complement the national offer.

3.5 Finally, as part of securing the Grant, businesses will be encouraged to sign up to the Sustainable Glasgow charter to help ensure that all SMEs contribute to the Council’s ambitions around net zero carbon and climate resilience.

4. Green Business Support

4.1 To inform the development of a complementary advice and support offer, mapping of the national and local support available has taken place:

Topic	Type of support	Provided by:
Energy Efficiency and Renewables	Energy opportunity assessment. SME loan fund with cashback	Energy Savings Trust (Business Energy Scotland)

Active Travel	Way to Work – Online support and advice on sustainable travel for workplaces.	Sustrans
Circular Economy	Circular Economy Business Support Service	Zero Waste Scotland
	Construction Industry Support Programme - Online advice and guidance	
	Step Up to Net Zero – 1-1 advice and support for 40 businesses	Glasgow Chamber of Commerce
Adaptation and resilience	Online advice and guidance	Sniffer (Adaptation Scotland)
Sustainability Strategy	Overall sustainability / net zero plans Bespoke advice on specific industrial processes.	Scottish Enterprise

- 4.2 Given the array of existing support, the proposed approach is to align with existing national and local support to develop and enhance access to these programmes through the Council’s Business Growth service.
- 4.3 Where there is already a mature offer available, such as through Business Energy Scotland, officer’s will work to extend their reach to speed-up access for Glasgow SMEs. The Council-funded ‘Step up to Net Zero’ programme is also being brought into this suite of support, to provide a coherent offer across the city. It does not require any additional funding to that already approved by Committee.
- 4.4 In relation to climate adaptation and resilience, given the increasing severity and frequency of extreme weather events in Glasgow, and the risks identified in the regional Climate Risk and Opportunity Assessment, the Council will support an action-learning approach to test a variety of approaches, for example sectoral and place-based, as well as identifying those approaches which are most effective and scale them up in future through UK Shared Prosperity Fund (UKSPF).
- 4.5 To develop this set of enhanced support, Economic Development has identified £175,000 for the first year of activity whilst the Council develops its longer-term programme of support through the UKSPF. Final discussions on the details of such offers is underway, and the aim is to provide an enhanced offer alongside the launch of the grant.
- 4.6 Final allocations will depend on the existing size and maturity of the current national offer, and the potential for impact to reduce emissions and address

climate change risks to business. However, an element of flexibility will be retained to account for demand and capacity of SMEs to engage.

5. Next steps

- 5.1 Subject to approval, officers will work to launch the support and administer the grant from beginning of November 2022. This will include agreeing support provision from external suppliers, setting up a grant fund, agreeing the customer journey and creating the application process for businesses to apply.
- 5.2 In parallel, the Council will conclude discussions with suppliers and put in place delivery arrangements for enhanced business support.
- 5.3. Information on the available support will be made available on the Council website and replicated through national support programmes.
- 5.4 The Council will also appoint an evaluator to monitor the effectiveness of both the Grant and support and develop recommendations for improvements in future iterations of the proposal given the commitments in the Regional Economic Strategy and Action Plan to develop a common green business support offer.
- 5.5. Alongside the support, officers will continue to develop proposals for the next phase of the programme to be funded through the UK Shared Prosperity Fund and will engage with colleagues in the City Region to explore the potential for a more regional approach, in line with the actions presented in the Regional Economic Strategy.

6 Policy and Resource Implications

Resource Implications:

- Financial:* The cost of this initial proposal is £689,000. These will be met from within existing Economic Development budgets.
- Legal:* There are no legal implications associated with the proposals contained in this report.
- Personnel:* There are no personnel impacts of this proposal. All activity will be delivered from existing resources in the Green Economy and Business Growth teams.
- Procurement:* The procurement implications associated with the proposal relate to the potential for the city Council to engage with the national suppliers to enhance the business support activities.

Discussion is ongoing with procurement to ensure the support will be provided in a way which is compliant with procurement regulations.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.

The proposal will support the Council's equality outcomes, particularly outcome 1, by increasing the proportion of women, black and minority ethnic, young people. Disabled or LGBTI+ to enter or remain in employment, through the use of a targeted communications and marketing programme.

What are the potential equality impacts as a result of this report?

The proposal will support all businesses across Glasgow, including those in the social enterprise sector which may have a role providing support to groups with protected characteristics, or being located in areas with high concentrations of those individuals. In developing the communications and marketing programme, a particular emphasis will be placed on targeting such businesses and/or locations.

Please highlight if the policy/proposal will help address socio-economic disadvantage.

The work will help address socio-economic disadvantage by focusing on providing advice and support and grant funding to those businesses and employees in SMEs. The provision will help offset some of the long-term impacts caused by the cost of living crisis.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

40, 59

What are the potential climate impacts as a result of this proposal?

It will begin to help climate proof the economy overall, by building resilience of businesses to the impact of the climate crisis, as well as lowering their carbon footprint.

Will the proposal contribute to Glasgow's net zero carbon target?

Yes - the grant and programme of support will make a positive contribution to the reductions of carbon emissions from business and industry across the City. It will also build the

resilience of the City's SMEs to the impact of climate change.

Ensuring the linkages with the wider national support will increase the reach of that impact, by providing greater access to finance and support.

Privacy and Data Protection Impacts:

There are no predicted privacy and data protection impacts. Details collected as part of the grant process or business and advice will be held by respective organisations in compliance with the General Data Protection Regulations.

7 Recommendations

Committee is recommended to:

- Consider the creation of a Green Business Grant and wrap around business support to SMEs and the use of £689,000 of funding to deliver the Green Business Grant and wrap around support, noting the intention to part-fund this through use of UK Shared Prosperity Funding; and
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