LOW CARBON HUB BOARD

Date: 20th January 2017
Subject: Update on the Business Growth Hubs Low Carbon Service Offer

PURPOSE OF REPORT

The purpose of this paper is to provide Low Carbon Board Members with an update on the Business Growth Hub’s contribution to Greater Manchester’s transition to a low carbon economy.

RECOMMENDATIONS:

The Board are recommended to:
• Note the report and presentation.

CONTACT OFFICERS:

Contact Officer: todd.holden@businessgrowthhub.com
Tel: 07748 320067

BACKGROUND PAPERS:

<table>
<thead>
<tr>
<th>TRACKING/PROCESS</th>
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<tr>
<td>Does this report relate to a Key Decision, as set out in the GMCA Constitution or in the process agreed by the AGMA Executive Board</td>
<td>No</td>
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<table>
<thead>
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<th>EXEMPTION FROM CALL IN</th>
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<tr>
<td>Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?</td>
<td>NA</td>
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AGMA Commission TIGMC Scrutiny Pool
20th January 2017 NA NA
1. BACKGROUND

Within the Climate Change and Greater Manchester Strategies, GM is committed to reducing CO₂ emissions by 48% by 2020 from a 1990 baseline. Not only will this bring significant environmental gains, it will increase GMs prosperity by strengthening the low carbon goods and services sector and more widely by helping all businesses become more productive through increased energy and material efficiency. This will also increase the resilience of all parts of GMs economy.

The Growth Hubs current low carbon service offer has been developed from previous initiatives which have supported local SMEs for over 15 years. Most recently these services were delivered through the Green Growth service which was a single project covering resource efficiency, environmental risk and low carbon sector support. Due to changes in the funding landscape these services have new been separated into three discrete, but highly connected projects.

2. CURRENT SUPPORT OFFER

The Business Growth Hub currently delivers three low carbon services, as part of the wider suite of support it provides to GM SMEs, namely:

1. **Low Carbon Sector Support** – part of the wider Priority Sector initiative, this service supports companies who are already in, or are looking to diversify into the Low Carbon Environmental Goods and Services Sector.

2. **Eco –Efficiency** – part of the wider Innovation project with GM University partners, this service looks to support companies who are looking to develop new products or services which have a lower environmental impacts.

3. **Carbon Reduction Service** – this is a standalone project which helps companies reduce their carbon emissions by becoming more energy efficiency and or through the adoption of on-site renewable energy generation. This service also includes a 50% capital grant programme for measure up to £25,000 in value.

The table below provides a headline summary of the nature of the support across all there project areas.

<table>
<thead>
<tr>
<th>Nature of Support</th>
<th>Green Growth Projects</th>
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<tbody>
<tr>
<td></td>
<td>Carbon Reduction</td>
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<tr>
<td>to SMEs</td>
<td>✔️</td>
</tr>
<tr>
<td>to large companies</td>
<td>-</td>
</tr>
<tr>
<td>Improved energy efficiency</td>
<td>✔️</td>
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<tr>
<td>Improved water efficiency</td>
<td>*</td>
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<tr>
<td>Improved material efficiency</td>
<td>*</td>
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<tr>
<td>Supply Chain resilience</td>
<td>-</td>
</tr>
<tr>
<td>Market Development</td>
<td>-</td>
</tr>
<tr>
<td>New product or service development</td>
<td>-</td>
</tr>
<tr>
<td>Renewable Energy Installation</td>
<td>✔️</td>
</tr>
<tr>
<td>Environmental Risk and Resilience</td>
<td>-</td>
</tr>
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</table>

* can be included only if there are materials energy savings
As can be seen the current offer does not mirror the previous one, most notably companies can no longer be supported on Environmental risk and resilience, or none energy related resource efficiency; this is due to new constraints placed by the European funding used to deliver the service.

All three services provide on-site reviews to identify improvement opportunities using qualified environmental auditors, eco-innovation practitioners or sector development specialists. The duration of the support depends on the specifics of the client’s needs and can involve the use of specialist third party consultants.

## 2.1 Carbon Reduction and Eco-innovation Services

These are delivered, from a client perspective as a single offer, which provides:

- **A Diagnostic business review** to identify where companies can make energy efficiency savings, use renewable energy and/or improve the environmental credentials of their products or services.
- **Specification support** to help the company understand and quantify the potential of the opportunity and economic and environment benefits arising from its realisation
- **Hand holding** to support the manager to develop and implement the recommendations, and overcome the challenges that arise as part of the process
- **Capture impacts** using the online resource efficiency toolkit to measure the economic and environmental gains which have been identified and secured over time.

To support the uptake of the carbon reduction recommendations suitable companies will be able to apply for a small capital grant to catalyse their plans. Where possible, and within the constraints of the public funding companies who are looking to buy equipment or services will be made aware of the local GM suppliers as identified through the low carbon sector support programme.

## 2.2 Low Carbon Sector Support

This is a specialist sector support service providing advice to support businesses within the low carbon and environmental goods and services (LCEGS) sector, and importantly those looking to diversify into; it provides:

- **A Diagnostic business review** to identify barriers and opportunities for growth and create an action plan of support, which can include:
  - **Market Intelligence** understanding current market trends and supply chains, forecasting market growth opportunities, identifying diversification opportunities
  - **Increasing sales leads** identifying new routes to markets, improving sales strategy, understanding supply chain requirements, direct sales leads via virtual Low Carbon Network
  - **Competitor review** using an in-house database of ~1000 companies mapping GM sector, helping to develop USPs and realise place in the supply chain
  - **Diversification** into the sector providing information on sector capabilities and potential gaps and growth opportunities, developing new products and services

A key component of this service is to ensure that the companies supported are able to maximise the relevant services offered by the rest of the Growth Hub. This ensures that the limited resources available are used to best effect and that the client gets support the need when they need it.
2.3 Integration with the Wider Hub Support Services

As appropriate Business Advisors will refer companies to other Growth Hub services, to ensure resources are optimised, duplication is avoided and most importantly the companies get the support they need when they need it from experts in the relevant fields. As such companies are referred into:

- **Greater Manchester Growth Hub Services** to providing mentoring and workforce development services to help companies identify their development needs, signposting them to appropriate providers.

- **Business Growth Hub Innovation Service** bringing in expertise from R&D institutions, to encourage business investment in research and innovation, product and process development, adoption of digital technologies.

- **Access to Finance** helping them become investment ready and access mainstream or alternative finance to implement their growth plans (which in a high proportion of cases will be identified as part of the support provided)

- **Pan LEP Specialist Manufacturing Service** supporting business improvement projects, procured from the private sector, that drive increased capacity and capability for growth and productivity improvements.

- **Enhancing SMEs' International Trade Performance** using with specialist advisors delivering specific export advice and support to assist new exporters or those seeking to enter new markets.

- **Business Growth Hub Sector Support Service** a highly targeted Growth Hub service delivering specialist support, from a network of technical expertise and facilities, to GM SMEs in the GM’s priority sectors: digital, creative & technology; life sciences; advanced manufacturing & materials; and low carbon & environmental goods & services.

See Annex 1 Diagram on the interaction between these services and additional support on offer.

3. **RECOMMENDATIONS**

3.1 The Board are recommended to:

- Note the report and presentation.
In addition to these intensive one to one support services, all companies can access range of free online support through the:

**Low Carbon Virtual Network**
Over 200 companies have joined the GM Low Carbon Virtual Network. It provides a simple mechanism to keep in touch with the sector, keeping them informed of sales and public procurement opportunities, enabling direct contact on specific pieces of work. The network increases the visibility of, and maps local suppliers while raising members’ awareness of services and opportunities within the network.

[www.green-growth.org.uk/network](http://www.green-growth.org.uk/network)

**Green Intelligence**
Over 550 GM companies receive this free, individually targeted, fortnightly e-bulletin bringing them the most relevant environmental business news, information and case studies directly to their inboxes.

[www.green-growth.org.uk/green-intelligence](http://www.green-growth.org.uk/green-intelligence)

**Green Growth Pledge**
Almost 100 GM companies are signed the online commitment to action which can be tailored to suit all sectors and sizes of business covering 14 categories with 55 actions to choose capturing existing good practice as well as future pledges.

[www.green-growth.org.uk/pledge](http://www.green-growth.org.uk/pledge)