

Climate Advisory Panel

27 January 2020 (1.30pm– 3.30pm)

Present

Charlie Seward (Chairman), Councillor Matt Bryan, Renia Kotynia, Georgina Patel, Colin Watson, Laurence Ainsworth, Clare Olver, Dave Brown, Ged Barlow, Steve Hughes, Simon Dowell, Jane Gaston, Rebecca Collins, Ashley Rogers, Will Pearson, Charlie Steer

Apologies

Andrew Lewis
Mark Thompson
Phil McCabe
Sarah McClelland
Rosilyn Colderley

1 Welcome and terms of reference

The Chairman welcomed colleagues to the second meeting of the Advisory Panel. The Chairman provided an update on progress since the last meeting, noting that Council had recently considered, on 21 January 2020, a paper setting out the Council's position regarding the climate emergency. The Chairman noted that in relation to the actions of the last meeting; that the meeting was now open to the public and publicised on the Council's Climate Emergency Webpage, that the minutes were now public, and that the Advisory Panel had been consulted on the paper to Council. The Chairman thanked those that had contributed comments. For the benefit of new attendees, Will Pearson provided an overview of the research process to date.

2 Business

The Advisory Panel received a presentation from Ashley Rogers, representing the North Wales Mersey Dee Business Council and the Federation of Small Businesses (FSB). Ashley provided a briefing on the FSB report for the Welsh Government on small and medium enterprises (SMEs) and the Environment, published in December 2019. The primary themes covered were power, transport, pollution and recycling. Ashley set out that this report covered five things that SMEs could do, and five things that Government could do to facilitate decarbonisation. The survey used to inform the report captured the views of 130 businesses. On the topic of Power, Ashley relayed that 59 per cent of businesses felt they could influence the energy efficiency of their premises, 30 per cent felt they could not, with 11 per cent being unsure. It was discussed that businesses are not always able to influence the source of their electricity if they are tenants. That has not, however, stopped businesses from attempting to reduce their energy consumption, with 80 per cent introducing more energy efficient lighting and similar measures, while three out of five have reduced

their consumption through insulation. The biggest barriers to further reducing energy consumption are lack of ability to influence energy procurement, and lack of available funding to implement efficiency measures.

On the issue of Transport, 30 per cent of businesses used personal cars, 25 per cent purchased cars in a three to five year cycle, and 21 per cent purchased cars on a five to ten year cycle. The main barriers to adoption of electric vehicles were high purchase costs, poor charging infrastructure and range anxiety.

The survey results suggested that there was high awareness within the SME community on key issues such as the need to reduce microplastics, the need to improve air quality, etc. There was strong support from SMEs for measures such as offsetting their carbon footprints, the provision of urban green space, measures to reduce traffic congestion, improved public transport and improving infrastructure to incentivise electric vehicles (EVs).

It was discussed that the rate of recycling business waste was significantly lower than the domestic sector.

The principles of the SMEs environmental work were that policy solutions should be evidence led, that they should understand the impact on small businesses, that business should be given adequate time to adopt measures, and supported to make changes.

Five actions that SMEs can take include;

1. Understand their own environmental impact, including their supply chain;
2. Consider energy efficiency improvements;
3. Aim for best practice;
4. Redesign the commute;
5. Prepare for changes to waste and recycling policy.

Five actions that government can take include:

1. Provide an advice line for SMEs on environmental issues;
2. Consider including business premises in decarbonisation or insulation schemes;
3. Develop a long term EV strategy;
4. Deliver a clean air framework that works for smaller businesses;
5. Ensure new recycling and waste regulations understand the needs of SMEs.

It was discussed that a decarbonisation helpline would be beneficial, as would 0 per cent loans or grants to facilitate the transition to electric vehicles. Additionally, there was support for local energy generation and supply, and for support to gain environmental accreditation such as PAS 2060.

The Chairman thanked Ashley for his presentation, and opened the topic for discussion.

It was noted that ensuring that businesses were aware of the ability to benefit from tax credits for investing in energy efficiency would be one way to promote the adoption of the measures.

The issue of SMEs in leased buildings who are unable to directly change their energy supply was discussed. It was noted that the onus should be placed on developers to stand the cost of developing carbon neutral buildings, and that there needs to be a more equitable approach to achieving carbon neutrality, and that this cannot fall on only SMEs. However, this cannot be done in isolation from energy network operators, as the current network does not have sufficient capacity to meet the demands of a wholly electrified transport system. Therefore, there is a need to ensure energy network operators are included in dialogue, and it was discussed that there is substantial enthusiasm and interest in expanding capacity to meet future demand from EVs.

It was discussed that the group should continue to receive updated on the Northern Powerhouse Investment fund's progress, and secondly that the Local Enterprise Partnership (LEP) had, in 2019, made available around £4m in funding for low carbon projects. In addition to these resources, it was noted that the University of Chester offers support to SMEs via the Eco-Innovation programme.

Given the diversity of support mechanisms available, it was discussed that rather than creating another disparate opportunity, that efforts should be focused on knitting this support together.

It was discussed that clean air zones, the role of energy and the opportunities to use procurement budgets differently were consistent themes that had emerged to date.

The commercial potential of the new green economy was discussed. The Panel felt that the benefits of cost reductions via energy efficiency measures were widely understood in the SME community, but that many had not yet fully appreciated that in 5/10 years carbon will be a key consideration in a wide range of procurement activity and therefore those that innovate now will be in a position to benefit significantly.

Ashley Rogers provided a second presentation on the work of the North Wales Mersey Dee Business Council and the potential for the cross-border economic geography to achieve carbon neutrality.

Ashley: Presentation on Business Council

It was discussed that the Mersey Dee area was a manufacturing powerhouse when compared to the UK average, and had significant sequestration potential given the high proportion of land which is either natural (primarily in Wales) or farmland (primarily in Cheshire). A graph was provided which mapped GVA against carbon reduction, demonstrating that significant increases in GVA had been achieved alongside carbon reduction.

The likely recommendations of work underway via the business council were;

- Continued investment in the rollout of renewable energy
- Support the development of low carbon vehicle initiatives
- Development of a regional carbon sequestration scheme
- Delivery of a region wide review of housing stock
- Development of an industrial energy transformation fund
- Ensuring greenhouse gas emissions data is available at a local authority level.

It was noted that replicating the data demonstrating carbon reductions and economic growth at a local authority level would be helpful in engaging with the business community. Furthermore, when discussing the regional economy and the potential for clean growth, there should be renewed focus on existing businesses rather than solely new businesses.

There was a discussion regarding the potential for SMEs to access carbon offsetting options. It was discussed that there were options for SMEs to pay for carbon offsetting via accredited professional foresters, and that this was the most effective way to support tree planting rather than ad-hoc smaller scale schemes. The Woodland Carbon Code was discussed as a key new development, as was the potential for additional enforcement via the planning system of developer assurances regarding tree planting. Locally, the need for a systematic review of land use and land supply was discussed. The need for an ongoing focus on land use was discussed, as climate change presents significantly risks such as 30-70% river flow rate increases by the end of the century.

The impact of Brexit was discussed; specifically the end of the common agricultural policy and the new domestic arrangements which will prioritise different activities, such as water storage on land. It was discussed that tree planting, while an essential measure in its own right, was not a silver bullet, and that a mix of land management activity such as building soil carbon, and implementing low carbon farming practices would be essential in achieving carbon neutrality.

Progress on the industrial decarbonisation agenda was discussed. It was noted that it was disappointing that a bid to UKRI decarbonisation roadmap challenge had been unsuccessful, as had all the bids submitted. Conversations with institutional investors to fund the development of local energy networks were progressing well, and there is significant appetite for this opportunity. However there is interest in starting small with one to two suppliers and consumers. In order to accelerate this, there is interest in central or local government underwriting a proportion of the risk. It was discussed that this should be borne in mind in any potential future discussions with government regarding devolution opportunities.

The Chairman summed up by thanking Ashley for his contributions to the meeting, and said that SMEs were typically not time or cash rich, and the bodies represented at the Panel had an important role to play in supporting them to decarbonise. Opportunities to work together included ensuring they can access public procurement opportunities, ensuring they can access finance pace, ensuring there

are appropriate assurance frameworks in place. In conclusion, the most impactful intervention would be creating a more coherent and accessible approach to stitch together existing support networks. It was discussed that the next meeting would focus on transport.

3 Any other business

The date for the next meeting will be circulated shortly, and the details of grants and support opportunities will be included in relevant communications.