

Report to: Cabinet



Date of Meeting 3 January 2024

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

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## Carbon Action Programme

### Report summary:

The Economic Development team are seeking Cabinet approval to procure a £207,000 package of decarbonisation support for businesses and community organisations from the existing business support and Green Team budgets. This package will include the provision of workshops, carbon surveys and carbon action plans for those who take up the offer.

### Is the proposed decision in accordance with:

Budget Yes  No

Policy Framework Yes  No

### Recommendation:

1. That Cabinet endorse the development and delivery of the Carbon Action Programme for East Devon businesses and community organisations.
2. That Cabinet agree to the procurement of the £207,000 support package required to deliver the support element of the Carbon Action Programme and delegate authority to the Assistant Director (Growth, Development and Prosperity) to award the support package contract.

### Reason for recommendation:

Whereas the budgets for this proposal already exist, Cabinet approval is required to procure a service of this value.

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Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Communications and Democracy
- Economy
- Finance and Assets
- Strategic Planning
- Sustainable Homes and Communities
- Culture, Leisure, Sport and Tourism

**Equalities impact** Low Impact.

**Climate change** High Impact. This is a substantial offer in helping local businesses understand their carbon footprint and to develop the most effective planned actions to reduce emissions.

**Risk:** Low Risk. EDDC will only be invoiced for the support hours provided/evidenced to East Devon businesses and community organisations through this commissioning approach.

**Links to background information** East Devon's [UKSPF Investment Plan](#) and [REPF Addendum](#).

**Link to [Council Plan](#)**

Priorities (check which apply)

- Better homes and communities for all
  - A greener East Devon
  - A resilient economy
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## **Background and Context**

1.1 The purpose of the Carbon Action Programme (CAP) is to provide a holistic support package for businesses and community organisations in East Devon, including specialist support and capital grants to decarbonise.

1.2 A capital grant programme to decarbonise community organisations and a small number of tourism businesses was trialled earlier in 2023 through the Culture, Leisure and Tourism Fund (CLTF). This grant funding scheme utilised over £180,000 of capital funding from East Devon's 2023/24 UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF) allocations from central government.

1.3 The CLTF was successful, but identified a number of challenges to be addressed for future schemes:

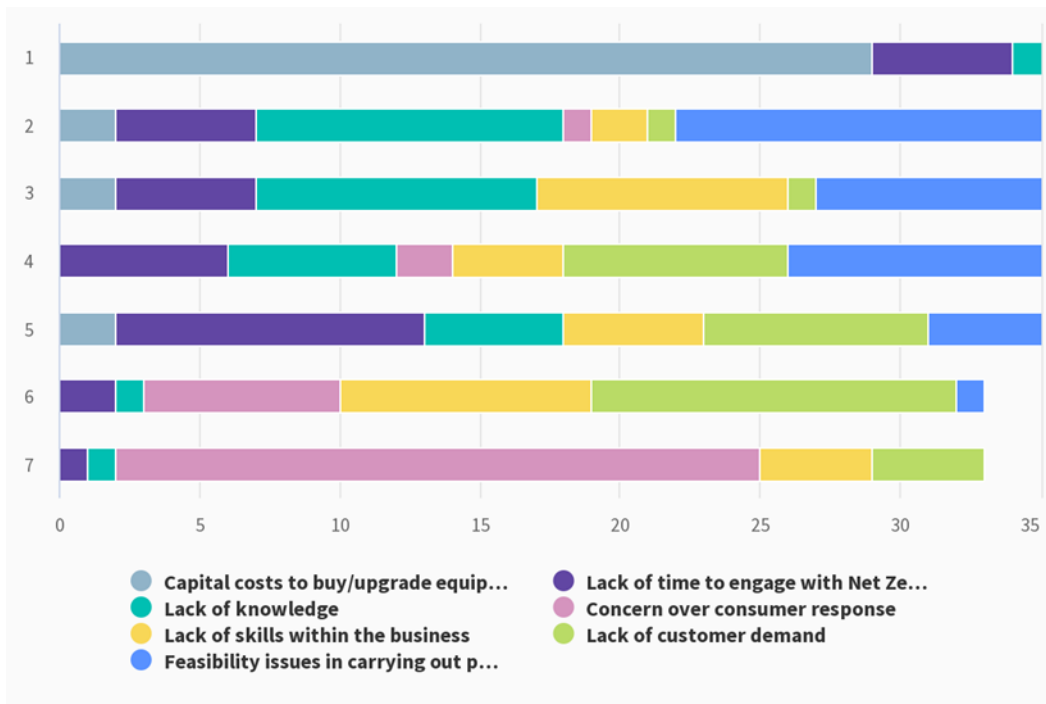
- Many applicants were unsure of which type of decarbonisation equipment to prioritise.
- Many applicants relied on suppliers to advise on which equipment to purchase and at which scale, which may not always be the most effective solution.
- Most applicants were unsure how to forecast the amount of carbon to be saved, or how to measure actual savings after the investment.

1.4 The results of the CLTF demonstrated a need for up-front specialist support to potential applicants. Without this support in place for CLTF, it will be more challenging to determine whether the Council will achieve the best value for money. The lack of specialist support also makes it more difficult to report back to Government on the outputs and outcomes of our UKSPF/REPF funded grant schemes.

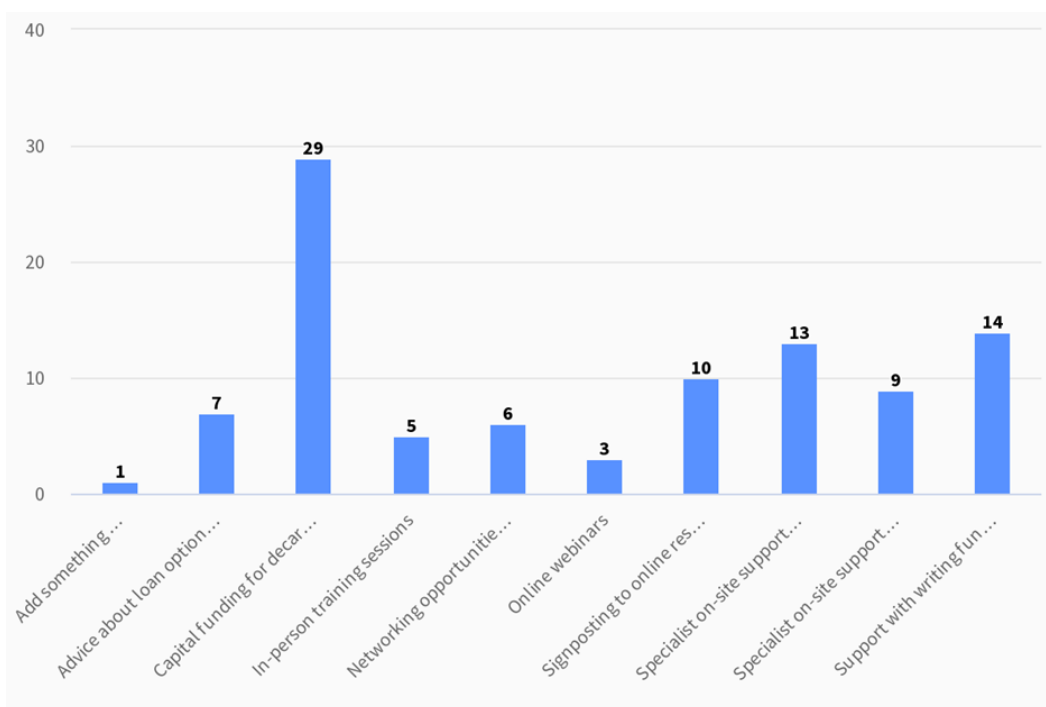
1.5 In addition to the need identified from other grant schemes, the Economic Development team conducted a survey of businesses on the topic of decarbonisation. For the majority of respondents, the capital costs required to decarbonise came up as the biggest inhibitor. A general lack of knowledge on how to decarbonise, feasibility constraints and a lack of time were raised as secondary issues.

1.6 When asked which support offers they would be interested in receiving from the Council, capital funding also came up at the most popular. Specialist on-site support for carbon footprints and carbon reduction plan were also popular responses. As most of the 45 respondents selected multiple options, this suggests that businesses would welcome a package of support rather than just capital funding.

Please sort the following by level of impact on preventing business decarbonisation, with the biggest issues listed first.

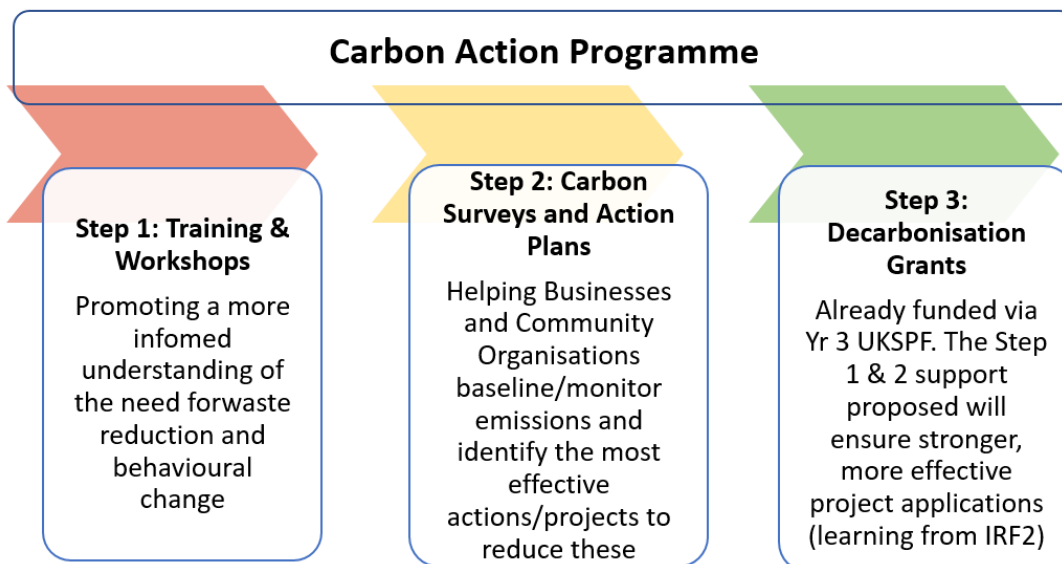


Which of the following business decarbonisation support offers would you be interested in receiving from East Devon District Council?



## Proposal

2.1 The proposed Carbon Action Programme (CAP) will take the learning from the CLTF and business survey and provide a more holistic offer, as illustrated below:



2.2 Rather than simply providing decarbonisation grants, the CAP will provide a range of support to aid potential grant applicants. This will include:

- 1-2-1 or group setting carbon workshop and carbon accounting training
- Carbon footprint for each organisation to include full scope 1 and 2+ (water/waste and staff commuting)
- Carbon reduction plan
- Carbon recording software essential license for 12 months

2.3 The table below outlines the number of businesses and community organisations to be supported and the cost of delivery. The current gap in funding is highlighted in column 2.

<b>EXPENDITURE</b>	<b>Specialist Support</b>	<b>Decarbonisation Grants</b>
Businesses	£107,000	£166,260 - £241,260
Community Organisations	£100,000	£320,362

<b>OUTPUTS (organisations support)</b>	<b>Specialist Support</b>	<b>Decarbonisation Grants</b>
Businesses	143	11-16
Community Organisations	133	21

2.4 We have £107,000 of existing funds within the Economic Development team Business Support budget which can be used to bolster this element of the provision to 143 businesses. A request to the Green Team for £100,000 was made and subsequently approved on 13 November 2023 to fund the specialist support for up to 133 community organisations.

2.5 Access to the decarbonisation grants will come via the Carbon Action Fund, the successor to the CLTF scheme. In addition to the funds already earmarked for the CLTF successor, we plan to utilise a further £130,000 of UKSPF grant funding for businesses of any sector, rather than just tourism. An additional £36,260 has also been made available from the LEP's Local Growth Fund.

2.6 To be able to apply for the Carbon Action Fund, applicants must first have commissioned a carbon survey and action plan either via the CAP or commissioned by the applicant at their own

cost. This will ensure that all grants awarded for decarbonisation equipment will provide the best value for money and will yield the greatest impact.

2.7 By supporting more businesses and community organisations with specialist support than we can provide grants for, we can ensure a healthy level of competition for the Carbon Action Fund.

## **Procurement and Delivery**

3.1 For the £207,000 specialist support provision, a pay-as-you-go model will be procured, where the supplier will charge the council per workshop delivered, software access license provided and carbon survey/plan completed. This will ensure the Council only pays for the work undertaken at the specified rate, whilst providing an incentive for the supplier to maximise their own marketing and promotion of this service.

3.2 We aim to have a supplier in place for early Spring 2024 to coincide with the receipt of our 2024/25 UKSPF and REPF allocations. These allocations from Government will then comprise our Carbon Action Fund (CAF).

3.3 The CAP support contract and Carbon Action Fund will be managed by the Economic Development team with support from other officers in the Council working within the cultural and community sectors to ensure maximum take-up.

3.4 This work will be included within the UKSPF Evaluation framework, to ensure we achieve good value for money, provide additionality, avoid duplication and optimise the impact of Government funding. An effective evaluation process will be beneficial if future UKSPF allocations are devolved to a Combined Authority, and if EDDC needs to bid into local UKSPF pots moving forward.

## **Conclusion**

4.1 Combining existing pots of grant funding into a Carbon Action Fund will help to simplify the funding landscape for decarbonisation grants. Requiring future grant applicants to have a completed carbon survey/footprint and carbon action plan will ensure both the applicant and the Council are utilising grant funding in the most optimal way.

4.2 We have identified a clear need to provide specialist support for businesses and community organisations to decarbonise. This £207,000 of additional support will not only aid grant applications but will help provide a longer-term plan for decarbonisation across our economy and communities.

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## **Financial implications:**

The financial details are contained in the report. No additional budget is being requested this is use of existing budgets and government funding.

## **Legal implications:**

The support package will be procured in accordance with the Councils contract procedure rules.