

Project Overview

Project Title	Business Sustainability Package
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Main Funding Programme	Gainshare for Investment Priority 4
Current Forecast Project cost	£21,946,934
Funding Applied for from the Combined Authority now	Up to £10,596,934
Private sector funding amounts and sources	£10,250,000

Scheme Description

The Business Sustainability Package is one of seven programmes being delivered as part of Wave 1 of the Climate and Environment Plan (CEP). The CEP outlines the activities needed over the next three years, to set the region on a pathway towards achieving the 2038 net zero carbon target. Net zero carbon refers to the balance between the amount of carbon dioxide (CO₂) produced and the amount removed from the atmosphere.

Businesses are facing a significant number of challenges relating to the net zero agenda including:

- the rapid rise in energy and fuel costs and general price instability
- lack of energy resilience
- pressure from major customers passing on net zero obligations,
- impending and future legislation impacts
- consumer pressure on green issues, for example plastics and food miles
- competing priorities, especially as businesses recover from the impacts of Covid-19 and adjust to leaving the European Union.

The Business Sustainability Package aims to provide simplified, consistent, and impartial support to small and medium sized enterprises (SMEs) within West Yorkshire. It will act as a catalyst to help them to plan for net zero and become climate ready, so they become more resilient to the effects of climate change. Support is designed to help SMEs measure their carbon impacts and climate readiness, plan improvements and act on these plans to reduce their environmental impact.

The ambition is to provide a flexible, offer to provide tailored support to support small businesses to address their carbon emissions. The package will help SMEs measure their current performance on emissions and climate readiness and actively plan to improve performance with practical solutions and activities.

The package also aims to improve the energy efficiency of SMEs so they require less energy, making them cheaper to run, which will also increase productivity and their ability to innovate and grow.

It is estimated that the package will deliver greenhouse gas emission savings of 1,200 tonnes per annum and increase renewable energy generation by 1.5m kWh per annum.

Business Case Summary

Strategic Case

Reaching net zero carbon is a priority both nationally and locally. West Yorkshire Combined Authority declared a climate emergency in 2019 and made a commitment to reach net zero as a region by 2038.

According to the British Business Bank, UK-wide small businesses account for 50% of business-related emissions and 30% emissions. A study undertaken by Lloyds Bank highlights that only 50%

of SMEs have committed to net zero, with only 34% introducing measuring and monitoring of environmental impact.

This package, specifically targeted at SMEs, will help them to address some of the significant challenges they face, including:

- Rapid rise in energy and fuel costs and general price instability and lack of energy resilience.
- Supply chain pressure from major customers passing on net zero obligations.
- Impending and future legislation impacts for example, anti-greenwashing regulations, to prevent people being misled about the green credentials / environmental claims made by organisations.
- Consumer pressure on green issues, for example plastics and food miles.
- Competing priorities, especially as businesses recover from the impacts of Covid-19 and adjust to leaving the European Union.

The package will develop greater awareness within the region's SMEs of how to plan for net zero and climate readiness, by supporting them to identify what stage they are at now, in terms of net zero and climate readiness, develop an action plan to improve and provide support to implement those actions.

Economic Case

The Business Sustainability Package aims to provide a simplified, consistent, and impartial source of support to West Yorkshire's SMEs to plan for net zero and become climate ready. The ambition is to provide a flexible, offer to provide tailored support to support small businesses to address their carbon emissions.

The scheme will align to the Business West Yorkshire service enabling the Combined Authority to leverage the strengths and benefits of a larger programme and provide a more consistent and recognisable services to businesses.

Commercial Case

The scheme will help SMEs to measure, plan and act now and is aimed at enabling and empowering SMEs to address carbon impact and their climate readiness. A number of procurements will need to be undertaken, to provide the support needed.

Financial Case

The scale of the problem is significantly larger than can be solved with the budget available. The package therefore prioritises a measure-plan-act approach to support as many SMEs as possible to reduce their climate impact.

The package has been developed using the Combined Authority's experience of delivering business support programmes and its recent knowledge of staffing and expected delivery costs.

The package will leverage around £10,250,000 of private sector investment.

Management Case

The Combined Authority is not able to achieve its net zero carbon ambitions alone - action is required from all parts of society and the economy in West Yorkshire.

The Combined Authority's approach is to create a robust and flexible service that can respond to the challenges of the complex economic environment. And offer a consistent and recognisable service that businesses can easily find and do business with. The package will build on existing governance and delivery structures to ensure continuity and achievability of delivery.

The package will build on current and recent resource efficiency programmes and the existing governance and team structures will be used as a basis for delivery, allowing the project to start quickly while additional resources are developed.