
Somerset's Approach to Green Growth

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1. Summary

- 1.1.** The vision and priorities for Somerset set out in the Council Plan 2023-2027, include a focus on a greener, more Sustainable Somerset, an economically flourishing Somerset and the importance of the clean growth agenda in delivering these priorities. The predecessor Councils developed strategies for the economy and the new Council will in due course develop its strategy for Somerset's future economy building on these and informed by the clean growth agenda and the need to transition the economy to net zero. This report summarises and reviews current and planned activity by the Council relevant to this agenda.
- 1.2.** In 2019 Somerset's Local Authorities declared a Climate Emergency and set a target of becoming 'Net Zero' by 2030. A Climate Emergency Strategy was developed in 2020 which included several workstreams including 'Business, Industry and Supply Chains'. The workstream aims to enable businesses to thrive whilst reducing carbon emissions, ensuring they are prepared for and resilient to the impacts of climate change. Recent research to scope business understanding and levels of engagement with net zero highlight a readiness and appetite to progress with the transition to a low carbon economy despite the current economic climate and competing priorities.
- 1.3.** The Somerset Climate Emergency Strategy sets an ambitious target of reaching net zero by 2030, making clear the challenges and opportunities for businesses in doing so. The Somerset Recovery and Growth Plan, whilst addressing the economic impacts of COVID-19, stressed the need to exploit Somerset's significant opportunities for clean growth in the key sectors of Clean Energy, Aerospace & Advanced Engineering, and Digital & Data.

2. Issues for consideration / Recommendations

- 2.1.** This report informs the Scrutiny Committee on the work undertaken to date and

the approach proposed in delivering the green and clean growth agenda as detailed in the activities below.

3. Background

- 3.1.** This report has an economic focus and the contents focus on the programmes/actions that support businesses to achieve change, based on the climate challenges and the opportunities this can have for businesses in reducing their costs for example and capitalising on support that the Council can provide. The following paragraphs detail existing and future schemes that have been/will be delivered from an economic perspective, in order to provide support to businesses. It does not detail those delivered through other parts of the Council.

Data from BEIS (2018) - previous Government department for Business, Energy & Industrial Strategy - shows that in Somerset, emissions from the industrial and commercial sector equalled 824.4 ktCO₂ (excluding agriculture), 25% of the total for the County. The current Climate Emergency Strategy sets out several outcomes aimed at business and industry including reduction of business' carbon footprint, increasing the sector's resilience to the impacts of climate change and ensuring a strong understanding of the challenges and benefits of transitioning to a low carbon, clean growth economy.

- 3.2.** The economic development activities already being undertaken, or proposed, by the Council to support the delivery of clean growth agenda are detailed in the following sections of this report. These include: schemes to support businesses with decarbonisation (3.3-3.4); strategic decarbonisation and digital activities (3.5); and major economic development initiatives aiming to deliver clean growth through business innovation within Somerset's key growth sectors (3.6-3.7).

3.3. Decarbonisation Business Support

Somerset Green Business Support Programme. Research was commissioned to scope the understanding and levels of engagement with net zero in Somerset's business community and support the design of a future business support service. The results from the research and recommended models have been fed into the investment plan for UK Shared Prosperity Fund. Based on surveys, interviews and interactive workshops, the research recommended a Green Business Support Scheme to include:

- Direct financial support for green investment in decarbonising activity and energy efficient equipment/technologies (launching Autumn 2023);
- Specialist technical advice regarding energy audits and sustainability plans, through an Energy Efficiency Support scheme (launching Autumn 2023);
- An online knowledge portal to promote and share best practice, plus seminars and workshops on net zero and sustainability (planned with partners for Sept – Nov 2023);
- A Green Business Network, to include a Knowledge Transfer Partnership between SMEs and larger businesses aligning with Social Value agenda.

3.4. Direct Support for SMEs

A number of grant schemes, with a focus on energy efficiency improvements and decarbonisation, were delivered across Somerset since 2021 from County and District authorities including:

- Somerset Carbon Reduction Grant Pilot Scheme 2021 (BRR funded)
- Sedgemoor Energy Efficiency Grants 2022 (Hinkley S106)
- Somerset West & Taunton Energy Efficiency Grants Phase 1 and 2 2022-23 (Hinkley S106)
- Somerset Growth Accelerator Fund 2022-2023 (ERF funded)

(See Appendix A below for more detailed information on these grants)

Somerset Energy Efficiency Support Scheme and Grants 2023-2025 (UKSPF)

A Somerset Energy Efficiency Support Scheme will be available to eligible businesses from this autumn. The details are due to be finalised and the service procured in July 2023. Business Advisors will undertake energy audits on business' premises which will inform the development of costed prioritised Sustainability Action Plans.

It is also expected that an energy efficiency grant scheme will be made available this autumn to SMEs with the aim to reduce business' energy costs and carbon emissions. Subject to approval the total value of the scheme will potentially be £400k with grants ranging between £2.5k - £25k and a match funding expectation of 50%. A requirement of the grant scheme will be that the business applicant has a Sustainability Plan in place.

The Sustainability Action Plans developed by the Energy Efficiency Support Service can be used for this grant application process.

Consideration will be given to how to ensure the support available is communicated to businesses and we would welcome comments from the Committee on how best to maximise reach and therefore engagement from businesses with these opportunities.

3.5. Strategic Decarbonisation Support and Initiatives

The following are examples of support provided and initiatives undertaken through Economic Development. The focus is very much about local involvement and support for Somerset businesses.

Digital connectivity

Somerset as the Accountable body for the Connecting Devon and Somerset programme has managed contracts which deliver superfast (SF) broadband across the region. Government expectations were that commercial providers would provide 2/3 of the delivery and public subsidised programmes would add to that. In Somerset, the CDS programme has delivered 120,993 SF premises and the commercial sector SF128,063. Current contracts for Superfast in Somerset delivering gigabit fibre broadband are due to continue until 2024/25 and will add

to the connected premises. The programme has also run a LEP funded mobile boost programme which enhances the indoor mobile signal and improves digital connectivity. The programme ran until February 2023 supporting 1677 premises (787 business/both and 890 residents) across the region. Work is ongoing liaising with mobile network operators to highlight areas with poor connectivity and lobby for improvements including as part of the Shared Rural Network. The programme has provided improved digital connectivity to many premises across the county which has meant many more people can work, study and shop from home. The improvements in connectivity help to support the green/ clean agenda by reducing the need to commute for such activities.

Coast to Capital - Community Wealth Building

Community wealth building (CWB) is an approach to economic development that aims to build and strengthen local economies in a way that benefits the entire community. It focuses on creating and retaining wealth within a community by fostering greater local ownership, control, and participation in economic activities. The central idea behind CWB is that economic power should be more broadly distributed and that communities should have input in how their local economic resources are mobilised.

This approach seeks to address economic inequality, promote sustainable development, and enhance community resilience. Different models for CWB exist and have been put into practice in the United Kingdom.

The five key principles are:

- Plural ownership of the economy
- Making financial power work for local places
- Fair employment and just labour markets
- Progressive procurement of goods and services
- Socially productive use of land and property

What might CWB look like in Somerset?

Understanding what defines the local Somerset economy, what anchor institutions constitute it, and the appetite among these for such an approach would be a key first step. These are the aspects that would define a Somerset CWB approach. In a time of financial restraint, considering how to work with partners and resources is essential in order to support the climate change objectives.

Glastonbury Town Deal and Supply Chain System

Glastonbury Town Deal (GTD) was approved by government on 8 June 2021 after an extensive development period which included seeking projects directly from the community through an Expression of Interest process which resulted in the Glastonbury Town Investment Plan (TIP).

In developing the TIP, we also paid attention to the Doughnut Economic Model developed by Kate Raworth, in particular treading a careful path between the need to address climate change and the importance of providing an environment

where people can lead good lives. Thus, woven throughout the 11 Projects that make up the GTD are themes addressing climate change, health and well-being, the provision of new work and sport spaces, and also food security.

An example of one of these projects is Glastonbury Clean Energy.

Objectives:

- Contribute to the town's aspiration to find solutions to the climate emergency by practically delivering non carbon energy generation;
- Create a financial surplus that can be reinvested in the community.

Benefits:

- Save circa 1,130 tonnes carbon p.a. by moving away from fossil fuels;
- Generate competitively priced green energy power that is available within the town;
- Surpluses invested back into the community.

GTD Supply Chain System

As an element of the Glastonbury Town Deal (GTD) and in a more general sense, encouraging Somerset businesses to gain work with local businesses/local authority etc, the Supply Chain System currently used for Hinkley Point and managed by the Somerset Chamber of Commerce has been explored. Building on the Hinkley Point system allows Somerset Council to access that experience and expertise. This collaboration will be a unique opportunity for businesses in Somerset to work on GTD and other future projects. It has the potential to expand as a Somerset wide tool to be used to promote and procure services, to ensure as a large Authority we use as many local suppliers as possible and is positive from a climate change perspective across for large projects. We are hoping to pilot this programme with the GTD for the coming year and then review to understand it's progress and how to progress from that point forward.

Somerset Retrofit Accelerator Fund

A one-year Community Renewal Fund project working in partnership with The Centre for Sustainable Energy, The Green Register, Somerset Independence Plus, the previous district councils alongside Frome, Glastonbury and Bruton Town Councils. The project focused on boosting the demand and supply within the able to pay sector for energy efficiency improvement measures to better understand the barriers to mass scale retrofit.

The main deliverables for the project included a free online course for upskilling businesses and the development of a Green Register of businesses to act as a one stop shop for homeowners to find businesses near to them.

The main finding from the project was that the demand is there and increasing for domestic retrofit however the supply chain is still severely limited and more needs to be done to increase the number of suppliers.

The project received a further £50,000 funding from the MCS (Micro Certification Scheme) working with Somerset Climate Action Network to develop a business case for "Retrofit Somerset" a one stop shop offering to homeowners to deliver

retrofit at scale and how and where this would sit in Somerset.

Regeneration Projects and support for Town Centres

Members will be aware of the significant regeneration projects that are underway across Somerset. There has also been support provided for town centre regeneration through a number of schemes and links are made with Active Travel, tourism and culture. A paper will be written to provide a more detailed update relating to Regeneration projects and town centre support for the September scrutiny meeting. This paper will include a recommendation to amend the scheme of delegations as written to reduce risk to programme and cost through delay, specifically in regard to externally funded projects.

3.6. Major Economic Development Initiatives

The following paragraphs focus on clean growth and innovation across a range of sectors and seek opportunities to promote cleaner growth.

Somerset Council has invested £13million and secured external funding across Growth Deal (£14.2million), ERDF (£6.8million) and the Getting Building Fund (£5.7million) to deliver a network of innovation centres and a wrap-around innovation support service for Somerset's key growth sectors. Each element has been co-designed and delivered in close collaboration with industry, and in partnership with the Heart of the South West LEP, Government, neighbouring councils, key industry stakeholders, and business representative organisations.

iAero Innovation Centre

Leonardo UK and their extensive Somerset based supply chain were the driving force behind the iAero Innovation Centre in Yeovil, as was the industry imperative of cleaner aviation it provides a 'front-door' to industry and space for collaboration and innovation among aerospace and high-value design and engineering SMEs. Through iAero, Somerset Council is supporting Leonardo's social value commitments by collaborating (along with Somerset Wildlife Trust and SWMAS) on projects to enhance and protect biodiversity, plus the development of educational activities with the aim of increasing Somerset SME's knowledge of net zero.

Somerset Digital Innovation Centre

Across all industries, digital technology, and the smart use of data, have a central role to play in the transition to net zero, by re-shaping established (and more carbon intensive) economic practices. The Somerset Digital Innovation Centre aims to help support this transition. Once opened in Autumn 2023, the Somerset Digital Innovation Centre will support collaboration and innovation within the digital and data economy and will also provide a focal point for inward investment.

Innovation Support Service

Alongside centre-based support, the innovation centre network will benefit from a multi-year, wrap-around innovation support service, delivering both sector

specific and general innovation support to tenants and users of the centre, as well as other local SMEs within or looking to move into the clean energy, aerospace, or digital sectors within Somerset.

Somerset Energy Innovation Centre (SEIC)

The SEIC campus in Bridgwater is a hub for businesses to collaborate and exploit opportunities in the clean energy sector. Phase 1 of the campus (SEIC 1) was established to meet the needs of the multi-billion-pound construction of two new nuclear reactors at Hinkley Point C, creating a supply chain integration facility that ensured Somerset SMEs were well placed and supported to win contracts. Further evolution included two additional facilities (SEIC 2 and 3) to support SMEs to transition into the clean energy sector, including Floating Offshore Wind.

Enterprise Centres

Somerset has secured over £5.8M external grant funding over recent years to develop and expand its Enterprise Centre workspace across the county. Centres are located across the county providing start up workspace locally to local businesses to help promote local employment and growth. There are now 10 centres across the county at Barle, Minehead, Wheddon Cross, Frome, Highbridge, Williton and over the past 4 years centres have been developed to BREEAM excellent environmental standards at Wiveliscombe, Wells, Bruton and Chard. Funding has been secured to repurpose Beckery House in Glastonbury as part of the Glastonbury Town Deal. Initiatives are being explored for workspace as part of the Bridgwater Town Deal. The centres currently provide over 130 workspaces across the county. Local business and employment opportunities are integral to supporting local growth and help to reduce cross county commuting for work. The **Yeovil Innovation Centre** provides locally based specialist facilities supporting local growth in Yeovil.

3.7. Gravity Enterprise Zone

Gravity, a 616-acre site near Bridgwater, Somerset was allocated Enterprise Zone (EZ) status by the Government in 2015. The EZ status allows the collecting authority to retain and invest business rates uplift from the site directly into locality to transform the economy and stimulate growth. The site is promoted for a smart campus focusing on Clean Growth principles with the stated ambition being to create a multifunctional campus with digital connectivity, smart mobility, designed to reduce the need to travel and enhance wellbeing.

Gravity provides a unique opportunity to attract high value investment of a substantial scale. It would represent transformational opportunity for Somerset as a whole through the creation of a significant number of long term, high value well paid jobs for local people in new generation industry, supported by opportunities for workforce development, upskilling and fundamental benefits in respect of skills and education. Not only addressing some of the local challenges in respect of social mobility but building on the legacy opportunities from Hinkley Point and aligning with our economic strategies to increase prosperity and meet net zero ambitions.

There is ongoing dialogue with regard to major investment opportunities for the site.

4. Consultations undertaken

- 4.1.** With reference to the above economic initiatives, prior consultations have been undertaken as were required at the relevant stages and are available on request.

In particular, research was commissioned to scope the understanding and levels of engagement with 'net zero' in Somerset's business community – key findings included that 41% of businesses remain unsure of their role in the transition to net zero; there is a general lack of understanding regarding the term net zero; and businesses require financial support to invest in green technologies.

- 4.2.** The Somerset Business Survey 2022 addressed a wide range of challenges and opportunities facing the business sector across the county, including their readiness for net zero and environmental awareness, providing robust evidence to underpin economic development policy and practice. The data has been used to evidence business need in this area and further inform requirements for the 'green' business support package and development of decarbonisation initiatives.

5. Implications

- 5.1.** The projects and business support detailed in this report all contribute to supporting the culture change towards greener business operations in Somerset. There are no negative equalities implications, and the committee are not asked to make any financial decisions in this paper.

6. Background papers

- 6.1.** Resource Futures Final Report
[Somerset Trends - Resource Futures Final Report](#).
- 6.2.** Scrutiny for Policies & Environment Committee Report: Climate Emergency Strategy: Business, Industry & Supply Chain Workstream- 26th October 2022
- 6.3.** [Somerset Council Plan 2023 – 2027](#)
- 6.4.** www.glastonburytowndeal.co.uk

Note For sight of individual background papers please contact the report author

Appendix A Somerset Energy Efficiency/Decarbonisation Grant Schemes (summarised in Section 3.4)

Somerset Carbon Reduction Grant Pilot Scheme 2021 (BRR funded)

Grants of between £500 - £1000 were made available to any Somerset businesses wishing to introduce and implement carbon reduction measures to their business. Interventions included reduction in energy consumption, onsite energy production and recycling. A total of £43,644 was allocated across 58 grants.

Sedgemoor Energy Efficiency Grants 2022 (Hinkley S106)

Sedgemoor District Council previously supported a number of businesses through a Business Support Programme during 2021/22 which has allowed many of them to implement energy efficient solutions. SDC allocated £66,344 over 32 energy efficiency grants to SMEs.

Somerset West & Taunton Energy Efficiency Grants Phase 1 and 2 2022-23 (Hinkley S106)

The aim of these grants was to support SMEs (up to 10 employees) in SWT with the transition to net zero, reducing their carbon footprint, promoting the use of clean energy and reducing energy costs. Interventions could include replacement of equipment to more energy efficient; waste segregation solutions, repair cafes and heating/lighting control installation. Small grants of up to £2.5k per business were made available to support them on their individual journey to Net Zero. Phase 2 is still being delivered. Phase 1 2022-23 £39,850 allocated over 18 grants. Phase 2 2023 is still being delivered, with £76,532 allocated over 32 grants.

Somerset Growth Accelerator Fund 2022-2023 (ERF funded)

In 2022 a funding programme of £1.5m was available to SMEs to help drive economic recovery post-Covid and support Somerset's commitment to achieving Net Zero. Over 200 initial applications were received with over 50% focused on 'green' activity including Solar PV and EV infrastructure and new technologies to reduce energy inefficiencies. Following a vigorous appraisal process 34 beneficiaries were supported with project delivery due to be completed in July 2023, whereafter an evaluation of the scheme will be completed.