
NORTH AYRSHIRE COUNCIL

23 February 2021

Cabinet

Title: Green Jobs Fund

Purpose: To seek approval for a new Green Jobs Fund which will support North Ayrshire's Economic Recovery and Renewal Approach.

Recommendation: That Cabinet:

- a) Approves the proposal for a new £500,000 Green Jobs Fund;
- b) Agrees that financial intervention will be capped at £10k for each business seeking support;
- c) Agrees that in the exceptional circumstances outlined in paragraph 2.7 that delegated authority be given to the Head of Service (EDR) in consultation with the appropriate portfolio holder to increase the financial cap to £30k;
- d) Notes the allocation of £250k towards this project from the Council's £8.8million Investment Fund and the award by North Ayrshire's Ventures Trust (NAVT) of £250k to deliver the £500,000 Green Jobs Fund.

1. Executive Summary

- 1.1 At its budget setting meeting in March 2020, the Council allocated an £8.8m Investment Fund to be utilised to deliver climate change, sustainable infrastructure investment and Community Wealth Building. As part of the Investment Fund proposals a new North Ayrshire Green Jobs Fund (GJF) was outlined in the Council's Economic Recovery and Renewal Approach agreed by Cabinet in September 2020.
- 1.2 Supported through agreed funding from NAVT, the Green Jobs Fund proposal represents an investment of £500,000 to support local businesses to make a green transition through business adaption or creation of green jobs that support renewable or circular economy investments.

2. Background

- 2.1 The Covid-19 pandemic has had a major impact on our local economy and the Council has acted decisively to support our local businesses and communities who have been negatively affected by the economic impact. In May 2020 the Council launched its Community Wealth Building (CWB) strategy 2020-2025 to set out our strategic approach to economic recovery and renewal. This strategy is the first of its kind in Scotland and the Council has shown real economic leadership in proposing a new economic model which will ensure economic, social and environmental wellbeing for

our communities. The Council's Economic Recovery and Renewal Approach was agreed by Cabinet in September 2020 and outlined a comprehensive package of support to build back better, fairer and greener through a local Green New Deal for North Ayrshire.

2.2 The plan outlined the development of a Green Jobs Fund (GJF) to support economic recovery and renewal at the same time as tackling climate change and delivering the commitment to become net zero carbon by 2030. The GJF will support the required transition in North Ayrshire by:

- Working with businesses and community groups to explore renewable energy generation and circular economy schemes that would create local fair green jobs.
- Supporting green business adaptation to encourage and support local businesses to adapt their processes and business models to support industrial decarbonisation and meet net zero targets.

2.3 The GJF proposal will provide the following support to businesses, community organisations and potential investors:

- The implementation of a Green Route Map (attached at Appendix 1) to categorise and support businesses through five 'green' categories:
 - Stage 1: No or limited understanding;
 - Stage 2: Developing an understanding;
 - Stage 3: Implementing Sustainability Projects;
 - Stage 4: Substantially embedded in process and culture;
 - Stage 5: Green Exemplar.
- The Route Map identifies where further resource could be allocated and splits support into key stages however broadly speaking this would be used in three ways:
 - Raising awareness (identify specific locality and sectoral needs and design interventions to a targeted audience);
 - Specialist consultancy support (deliver bespoke solutions for businesses where there are gaps in national provision);
 - Grant provision (help business transition to low carbon activities including developing systems, processes, capital equipment, training in greener business practices – targeted where there is a demonstrable benefit and no other provision in the market).
- Support feasibility studies for community organisations and prepare them to access national funds and/or programmes.
- Supporting feasibility for inward investment opportunities that can demonstrate commitment to net zero and Community Wealth Building.

2.4 A business case was prepared which considered:

- The strategic context;

- The case for change – business need;
- Benefits of the proposals;
- Risks and mitigations;
- The available options and an options appraisal with preferred option; and
- Funding and management arrangements.

2.5 The key points from the business case are summarised below:

<i>Strategic context</i>	<ul style="list-style-type: none"> • North Ayrshire's fragile economy and economic impact of Covid-19. • Commitment to inclusive and green economic recovery, and the need to tackle climate change and assist our businesses and communities in playing a key role in this. • Industrial decarbonisation, development of green innovative technologies, circular economy approaches and green reskilling as national priorities. • Development of a green support tool for businesses.
<i>The case for change – business need</i>	<ul style="list-style-type: none"> • Cluttered support landscape with support to help business transition particularly driven by loan funding and gap in provision to support smaller businesses financially to help make small changes. • Majority of programmes nationally and resource required to raise awareness and engagement on green adoption to identify and design local place-based support requirements. • An initial assessment of the business base identified a large exercise required to build knowledge, huge investment needed to support implementation of ambitions, and opportunity to accelerate and enhance existing proposals. • Access to national programmes will be improved and more resources directed to North Ayrshire, including realising potential inward investment enquiries.
<i>Benefits of the proposals</i>	<ul style="list-style-type: none"> • Business and community-led circular economy and energy initiatives supported • Reduced business energy costs • Green innovation and business investment initiatives supported • Green local supply chain initiatives supported • Leveraging of external funding to North Ayrshire including to businesses and community groups • Inward investment with a focus on living wage jobs • Improving resilience of business base • Upskilling and reskilling of businesses • Local supply chain opportunities • Support green economic recovery and renewal • Outcomes: job creation, fair employment, contribution towards challenging net zero target
<i>Risks and mitigations</i>	<ul style="list-style-type: none"> • Key implementation risks include lack of demand, over demand, officer knowledge and skills, and coordination. • These will be mitigated by proactive engagement, an evidence of need being established, continuous monitoring of spend,

	grants targeted where a different can be made and where there is no other provision, engagement of expertise as required, a robust management arrangement outlined and coordination across services.
<i>The available options and an options appraisal with preferred option</i>	<ul style="list-style-type: none"> • An options appraisal has been developed with an assessment of the do nothing, do minimum, preferred option and alternative option proposals.
<i>Funding and management arrangement</i>	<ul style="list-style-type: none"> • The project is a three-year fund. • It is anticipated this will enable significant external investment in North Ayrshire. • The project will be managed by officers within the Council's Economic Development and Regeneration Service. It is proposed that the systems currently employed for managing the Business Development funds are adopted as these are European Funding and Audit Compliant.

- 2.6 Research identified that there is a gap in business grant support for green adoption for sums of up to £10k. It is proposed that financial intervention will be capped at £10k for businesses looking at green adoption and for those seeking support to develop local projects.
- 2.7 Exceptions to the above would relate to projects that represent an opportunity to lever in largescale investment and job opportunities (£1m+). It is proposed that discretion to authorise up to £30k of support will be remitted to the Head of Service for Economic Development and Regeneration in consultation with the appropriate portfolio holder, to assist with bringing suitable green projects to fruition in North Ayrshire given the potential opportunities for job creation.
- 2.8 Each project will be considered on its own merits however will be required to reflect the Council's ambitions contained within Green New Deal and Community Wealth Building principles.
- 2.9 Outputs and outcomes that the project is expected to achieve will be:

Outputs

- Business and community-led, and potentially joint venture, circular economy and energy initiatives supported
- Reduced business energy costs
- Green innovation and business investment initiatives supported
- Green local supply chain initiatives supported
- Leveraging of external funding to North Ayrshire including to businesses and community groups
- Inward investment including living wage jobs
- Improving resilience of business base
- Upskilling and reskilling of businesses
- Local supply chain opportunities
- Support green economic recovery and renewal

Outcomes

- Job creation
- Fair employment
- Contribution towards challenging net zero target

2.10 It is expected that further benefits will emerge and be captured as demand is stimulated within the business base. These measurements will feed into Council Plan and Community Wealth Building reporting frameworks.

2.11 The GJF is supported by North Ayrshire's Ventures Trust (NAVT) through the provision of £250k towards the overall fund. NAVT will be informed and updated on progress made in delivering the new Green Jobs Fund when appropriate.

3. Proposals

3.1 It is proposed that Cabinet:

- a) Approves the proposal for a new £500,000 Green Jobs Fund;
- b) Agrees that financial intervention will be capped at £10k for each business seeking support;
- c) Agrees that in the exceptional circumstances as outlined in paragraph 2.7 that delegated authority be given to the Head of Service (EDR) in consultation with the appropriate portfolio holder to increase the financial cap to £30k;
- d) Notes the allocation of £250k towards this project from the Council's £8.8million Investment Fund and the award by North Ayrshire's Ventures Trust (NAVT) of £250k to deliver the £500,000 Green Jobs Fund.

4. Implications/Socio-economic Duty

Financial

4.1 It is intended that an allocation of £250k from the Council's £8.8m Investment Fund which was established to contribute to potential Community Wealth Building, Climate Emergency and Infrastructure investments will be utilised to create the Fund. In addition, the project has been successful in attracting £250k of NAVT fund support. This will allow the council to launch the £500k fund immediately. The proposal has been promoted to Scottish Enterprise and further assessment will be made of potential for Scottish Government support in light of recent announcements in the budget on a new national Green Jobs Fund. Any additional funds that become available would enhance and expand the support that is being initiated through this proposal.

Human Resources

4.2 The GJF will be delivered through existing resource including the CWB Business Locality Officers.

Legal

4.3 None.

Equality/Socio-economic

4.4 The GJF aligns to Community Wealth Building and will support the creation and sustainability of employment opportunities that align to the principles of fair employment.

Environmental and Sustainability

4.5 The GJF aligns to the Environmental Sustainability and Climate Change Strategy themes on the green economy and the Council's declaration of a Climate Emergency and will support ambitions to reach net zero by 2030 by supporting industrial decarbonisation and green innovation.

Key Priorities

4.6 The report covers information relevant to the following Council Plan priorities:

- North Ayrshire has an inclusive, growing and enterprising economy
- North Ayrshire is a sustainable environment
- North Ayrshire is a vibrant, welcoming and attractive environment

Community Wealth Building

4.7 The Fund will support delivery of the following Community Wealth Building strategy actions:

- Ensure our Community Wealth Building approach delivers our ambitions to become a carbon neutral Council and use the Anchor Institution approach to deliver a green transition for North Ayrshire.
- Promote our investment opportunities to regional and national institutions to gain investment in our communities.
- Encourage our business base to explore the social and environmental impact of their activities.
- Support our business base – including a wide range of business models – to enhance their capacity to bid for public sector contracts.

5. Consultation

- 5.1 Engagement has taken place with the Energy and Sustainability Team to ensure alignment to the refresh of the Environmental Sustainability and Climate Change Strategy. In addition to this, engagement has taken place with Scottish Enterprise, Zero Waste Scotland and the CWB Working Group. Wider engagement was undertaken as part of the development of the Economic Renewal and Recovery Approach. Ongoing engagement with the business base has informed the development of proposed activities.


































RUSSELL McCUTCHEON
Executive Director (Place)

For further information please contact Matt Strachan, Senior Manager Business Development, on 01294 310658.

Background Papers

Appendix 1 – Business Green Route Map

Business Green Route Map

Team Preparations	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
<p>Green – Proposed Activity</p> <p>Black – In Place</p> <p>Orange – In Progress</p>	Raising Awareness & Establishing Interest	Baseline Audits Audit Recommendations Further Research	Green Activity/Projects	Green Strategy and Eco - Culture	Optimised
 <p>Advisor Assessment of Green Activity in NAC Businesses Baseline RAG</p>	No or Limited Understanding	Developing An Understanding	Implementing Sustainability Projects	Substantially Embedded in Processes & Culture	Green Exemplar
 Advisor Toolkit  Green Strategy  Advisor Education  CRM Data Capture CRM Reporting  Identify Sector Specific Initiatives  Green Inward Investment Strategy  Develop Local Green Supply Chain Directory	 Promote Partner Activity ZWS, Green Webinars, SMAS, Green Tourism, Carbon Trust  NAC Green Promos – Social Media  NAC Green Promos - Direct Marketing Emails  Growth & Business Managers Advisor Toolkit  Promoting Sector Initiatives  TINA Website 1.Signposting, 2. Local Case Studies 3.Circular Economy Opportunity	 ZWS Referral – Audits  Bespoke Green/Technical Consultancy  Share Directory of Local Green Supply Chain  Identify or establish an Early Stage Green Research Grant / Feasibility	 ZWS SME Loan Interest Free Loan - £100K  Low Carbon Transport Fund Interest Free Loan £120K  Circular Economy Fund (£50K- £1M)  EV Charging  NAC Green Project Grant  NAC Green Skills Training Grant  Green Strategy Grant	 Green accreditation e.g. BS, ISO 14001  Green Graduates Paid Service (£4K- £6k)  Employee Focused Campaigns Materials  NAC Green Job Support  Local Green Challenges - Joint Initiative with Community Team	 Recognition & Reward Green Awards NAC Green Awards?  Green Accreditation e.g. British Standards, ISO14001  Showcase Green Exemplars