

Business Board Task & Finish Group

Carbon Negative Business

Notes of Meeting - 31 May 2022

Present : Andy Mayer (Chair); David Dickson

Staff : Liz Philpot; Katie Thomas; Andrew Raby; Erin Wheeler

Apologies : Carolyn Frank; Emma Woods; Helen Bilton

1. Session purpose

- 1.1 Following the analysis of stakeholder feedback from York and North Yorkshire's Routemap to Carbon Negative consultation, the session was focused on addressing key themes from the feedback in relation to the Business & Industry section.
- 1.2 The aims of the session were to:
 - (1) Agree a revised set of strategic priorities for the Business & Industry section of the Routemap;
 - (2) Agree further interventions required and scope; and
 - (3) Agree key challenges/risks/ dependencies and mitigation approach.

2. Key themes from consultation feedback

- 2.1 EW provided an overview of the key messages from the stakeholder consultation in relation to the Business and Industry section. This included:
 - Education to help businesses understand their position is crucial; SMEs need straightforward decarbonisation information to be able to adapt to net-zero, understanding that there is no one-size-fits-all solution.
 - Stakeholders commented on the need for substantial interventions to raise awareness, knowledge and financial support for SMEs to decarbonise.
 - Need to show linkages to other sections – including renewables and buildings. Importance of building retrofit, using a fabric first approach, and the need for grant funding to support businesses to do this.
 - Due to the importance of tourism in the region and challenging nature of decarbonising the sector, a number of stakeholders asked for further consideration of how the tourism sector will be supported to reach net zero.
 - Further emphasis on the circular economy is needed, with particular interest from stakeholders in developing supply chains.
 - Further measures to support developing clean sectors and the development of new markets.
 - Some concern that the Routemap focuses on decarbonising our current levels of production and consumption, rather ceasing carbon emitting activities.

3. Strategic priorities: discussion around revising strategic priorities

3.1 The group discussed a series of questions arising from the stakeholder consultation, and whether the elements should be incorporated into the strategic priorities for the Business and Industry section. A summary of the discussion is included in the table below:

Question/Summary of Key Discussion Points
1. Do we need to explicitly include retrofitting buildings within the strategic priorities?
<ul style="list-style-type: none">• Group agreed that retrofitting buildings is critical for businesses to reach net zero.• Group agreed that retrofitting fits within the existing strategic priority of “Improve energy and resource efficiency”, and for this to be made explicit within the description of the priority.• Concerns over cost implications of retrofit and need for Government funded incentives
2. Should we include reducing current levels of production and consumption (linked to ceasing carbon emitting activities) within the strategic priorities?
<ul style="list-style-type: none">• Danger of reducing production, with the potential consequences of cutting economic growth.• Including this as a priority would have an impact on getting buy-in from key businesses.• Businesses are currently facing a similar challenge – to substantially cut emissions towards net zero, whilst growing their output and turnover.• Group agreed not to include reducing current levels of production and consumption within the strategic priorities, but to make explicit how improving efficiency and moving towards a circular economy can reduce resource consumption.• It was also discussed whether to include a priority within the Routemap documents around growing the economy sustainably which would align with /reflect wider LEP priorities
3. Do we want to provide any further emphasis around the circular economy?
<ul style="list-style-type: none">• Consensus that the circular economy is a critical strategic pillar, but that this is already covered within the list of strategic priorities.• Opportunity to re-emphasise circular economy principles / values within the narrative.• Importance of communicating to businesses what the circular economy is and benefits.• Opportunity for locally targeted approaches for “circular” communities to engage businesses.
4. Should we include a priority around growing & supporting low carbon industries?
<ul style="list-style-type: none">• Group initially discussed the different interpretation of what a “low carbon” industry is ie one that contributes to low carbon technologies or one that achieves low carbon credentials.• Group agreed that this is an important area of work and could be included as an enabler – with links developing skills and infrastructure.• Agreed scope for case studies of how this is being achieved and “champions” of good practice• It was also discussed the links with the LEP’s high potential growth sectors piece of work, and the need to ensure this supports the delivery of net zero.
5. Should we have a separate strategic priority around decarbonising tourism? Is this appropriate considering other specific sectors are not identified?
<ul style="list-style-type: none">• Given the place based approach underpinning the Levelling Up agenda and Shared Prosperity Funding, tourism is a key area of focus.• “Staycations” are a way to reduce carbon emissions, if it means people are not travelling abroad.• Importance of the tourism and hospitality sector using local suppliers and the need for improved availability of charging points.• Group discussed that tourism was essentially cross-cutting across the sections of the Routemap and whether there was a way to bring this together (e.g., 1 page infographic asset) to demonstrate importance.

- Group discussed that we need to identify the key issues with decarbonising the sector and how to overcome them. (This can be unpacked in the tourism workshop on 7th June)

6. Should we include a separate priority around digitisation?

- Group agreed that whilst this was important, it was more an enabler to decarbonisation (rather than a strategic priority).

4. Developing further interventions

4.1 Throughout the session, a number of interventions emerged as being critical:

- **Education & tools**– it needs to be easy for businesses to understand their existing carbon footprint and how to reduce it and ensure Careers information Advice and Guidance (IAG) is developed to highlight future skill needs and employment opportunities
- **Incentives** - need incentives to engage and activate businesses which may require lobbying at national level (e.g., tax relief for building retrofit)
- **Place-based approach** - engaging businesses through a place-based approach, such as circular towns and communities and the role of the local VCS in achieving this
- **Developing skills & supply chains** – need further interventions to support the development of the skills base for the transition to net zero, and building supply chains (particularly for building retrofit).

4.2 It was also noted that there are opportune times to engage businesses with the net zero agenda, particularly when they are coming into the area and start-ups.

5. Challenges & Risks

5.1 The group identified a number of key challenges and risks in delivering the strategic priorities and interventions:

- **Dependency of national funding and policy change to provide the “carrot” and “stick” to enable businesses to reach net zero.** Actions are highly dependent on national policy and a high proportion of interventions required Government funding. Opportunity for Y&NY to use Government funding in a more effective way, leveraging private sector investment and utilising our natural assets to store carbon.
- **Constrained supply chains.** Throughout discussions, it was recognised the importance of building local, sustainable supply chains. Current supply chains for building retrofit were identified as a critical challenge, which urgently need improving to deliver the ambitious scale of retrofit set out in the Routemap. Currently demand is not a sufficient driver for business diversification – business will respond to market opportunity and it’s not strong enough at present to instigate that change, but that could also be prompted by national policy/incentives
- **Skills base for a net zero economy.** Linked to the supply chain challenges, the group discussed the critical need for developing the necessary skills in the economy for the transition to net zero and beyond. It was also discussed that ensuring we have a strong net zero skills base can be used as a lever to attract businesses into the region.

6. Next Steps

6.1 The Y&NY LEP team will revise the Routemap’s Business and Industry section following the feedback and outcomes from the T&F Group meeting. Further stakeholder engagement will be undertaken to develop interventions as required.

6.2 Y&NY’s Routemap to Carbon Negative will then be going to the main LEP Board in July for sign-off, followed by an official launch in October 2022.

ENDS

1 June 2022