

Mapping net zero support for small businesses in England

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ERC Funded by

About the Enterprise Research Centre (ERC)



- Our mission - the UK's 'go to' centre for research on small businesses
- A decade of research insights
- Funded by the Economic and Social Research Council (ESRC), + co-funders



Trusted insights, based on **rigorous** analysis



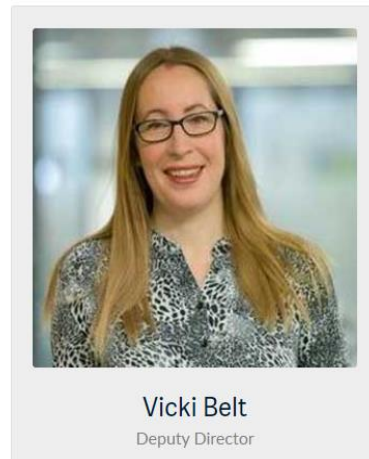
Policy **relevant** research



Useful and actionable **recommendations**

Who are we?

- The ERC is a UK Hub for SME research led by Directors based jointly at Warwick and Aston Business Schools



- We have a team of Research Fellows and a wide Associates Network
- We work in close partnership with other centres and networks, for example The ESRC Productivity Institute, the Innovation and Research Caucus and The National Innovation Centre for Rural Enterprise (NICRE)

What do we do?

- Primary research programme

Building strong and resilient enterprises with a focus on longitudinal data analysis and the diversity of entrepreneurs
Enablers of innovation with a specific focus on national and local policy supporting the digital and net zero transitions
Implementation of innovation within the firm focusing on low carbon and digital innovation in SMEs and their relationship with business performance
SME internationalisation, the relationship to growth and productivity
Mental health and well-being and productivity major three-year research programme funded by the ESRC

- Commissioned research projects
- Data development and matching
- Knowledge curation
- Engagement and responsive research



SMEs and Net Zero – UK policy context

- UK Government published a net zero strategy in 2021, setting out plans for a green economic recovery and aiming to put the UK ‘at the forefront of the growing global green economy’ and meeting the Government’s net zero target by 2050
- A new Government Department for Energy Security and Net Zero was set up in February 2023, and a policy paper published in March setting out how it would deliver on net zero commitments
- SMEs are recognised as playing a key role in reaching net zero targets – campaign launched to encourage small businesses to pledge to cut their emissions to net zero by 2050 or sooner, with support through the UK Business Climate Hub
- The Hub is a shared endeavour, developed by Government and business representative bodies – including The Federation of Small Businesses (FSB)
- FSB’s previous research from 2021 highlighted several obstacles for SMEs in implementing net zero practices... they approached us to get a better understanding of the support landscape in England

Project Objectives

1. Compile a **comprehensive directory of net zero support providers** and initiatives for small firms in each local authority area in England.
2. Use this baseline data to **identify a typology of emerging forms of business support** and their geographical coverage, and to **identify gaps or limitations in coverage**.
3. **Identify examples of good practice** within each element of the typology and provide a brief overview of the intervention alongside the directory information.
4. **Develop actionable recommendations** for government that can help more effectively support the net zero transition in smaller firms.



Methods

- To get a comprehensive directory we needed to try to get information on every programme that is available to SMEs in a particular area.
- We knew that the programmes differed across the regions
- We started with a questionnaire regional experts in the Federation of Small Business (FSB) which produced a good range of programmes


Given the programmes need to be advertised to SMEs, the main approach was an online search using different search terms and snowballing (i.e. from links from providers)

Then we identified what the programme offered, who funded it and where it was available, the total cost, the numbers who took the programme and any evaluations.



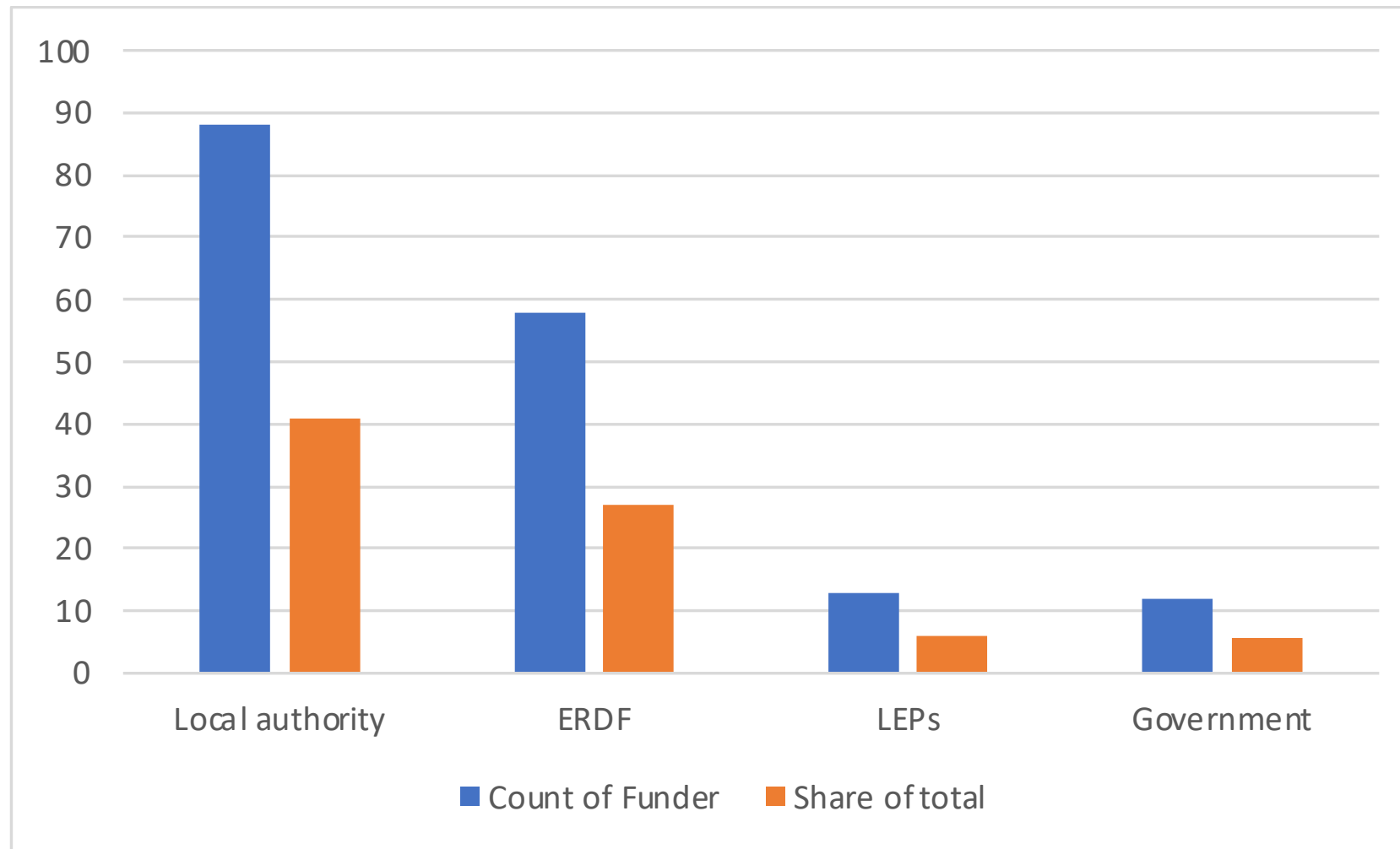
SMEs and Net Zero – Number of Programmes

- The research and data collection uncovered a total of 282 Programmes and 719 interventions. 186 of the Programmes (67%) offered more than one intervention.
- Most free

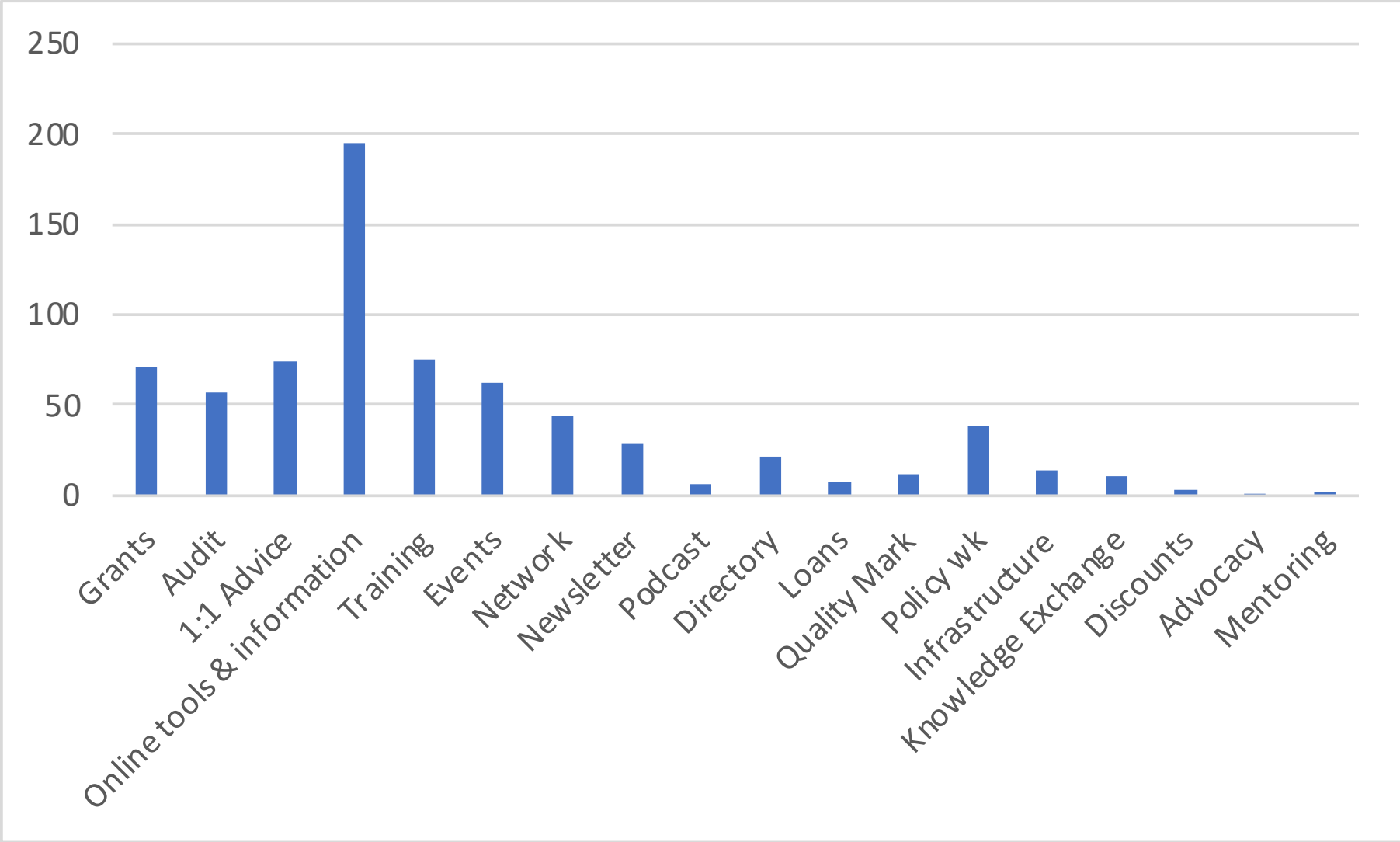


Free	245	92%
Mix	2	0.75%
Paid for	20	7.25%

Local Authorities Funded Most Programmes



Grants, Audits and other Interventions



SMEs and Net Zero – Number of Programmes



Different combinations constitute the way that the programmes are organised – question about follow-on – and different lengths of programmes depend on this combination.



Relatively little understanding of the length of a programme



Marketing an issue because it is generally quite easy to sign up often just an email or call but that's only if you can find the programme.



There are places that are cheek by jowl where some are offered a 'comprehensive' package of measures including grants, audits next door to other places that signpost to online or national resources.

Coventry and Warwickshire Green Business Programme

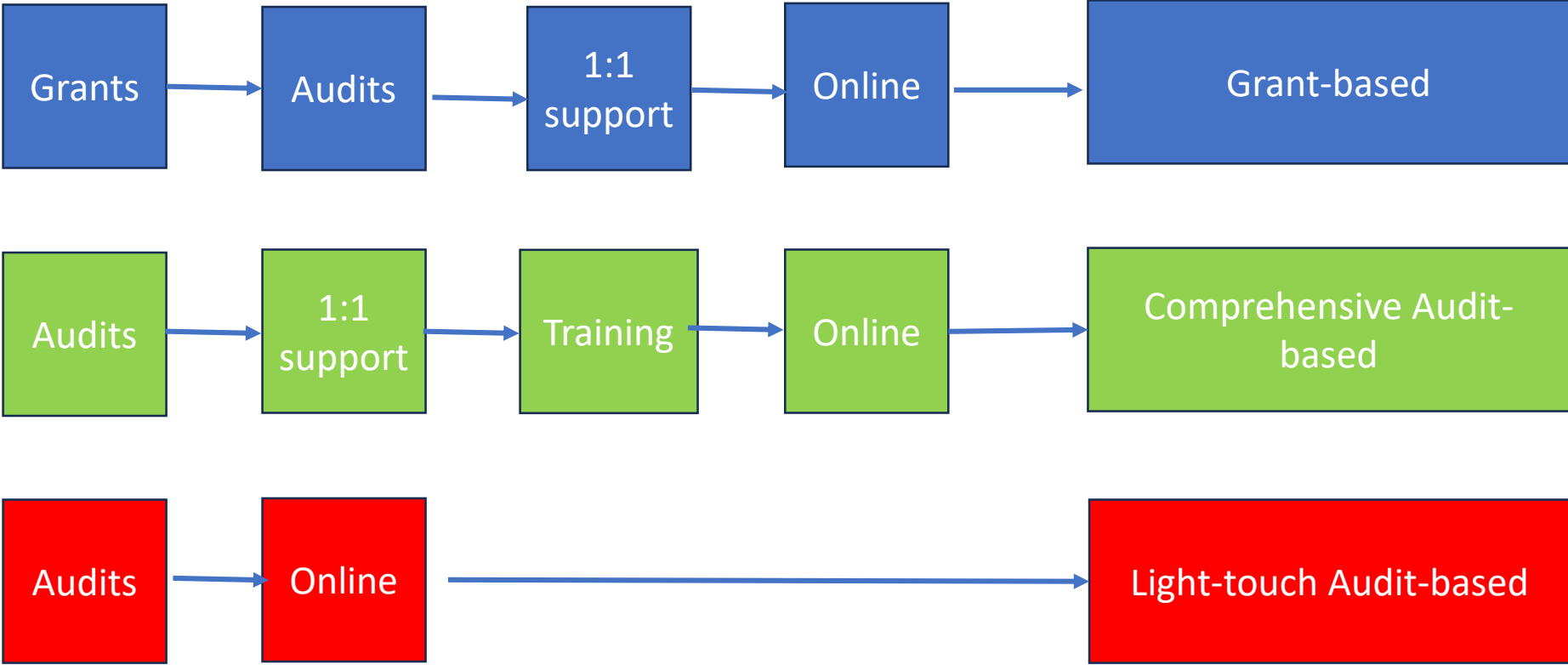
- Interventions offered:
 - Grants, Audits, 1:1 advice, Online tools, Training and Events, Network, Newsletter, Podcast, Directory
- Offered: Free to SMEs, with a focus on advanced manufacturing & engineering that wish to save money on energy, waste, and water costs while also taking advantage of low-carbon opportunities.
- Since the programme's inception in 2016:
 - Grants totaling £2.5 million have been awarded.
 - Over 14,000 tonnes of CO2 have been saved.
 - The Green Business Network now has 2450 members.
- Grants amounted to an average of £10,000 per SME.
- The programme has helped 400 businesses over seven years. There are estimated to be 40,740 businesses in Coventry and Warwickshire so the initiative reached 0.98% of businesses in Coventry and Warwickshire. Even the impressive number on the Green Business Network are just 6% of the business stock.

Green Small Business Programme

- Interventions offered:
- Audits, Energy Management Systems, 1:1 advice, Online tools, Training and Events, Quality Marks
- Offered: paid for SMEs in the North West and nationally
- The Green Small Business programme is a private sector programme. It offers a free online step-by-step guide. It then presents an upfront cost for businesses should they want help with developing an environmental management system. The costs were under £430 at the time of writing.
- Other services such as a carbon reduction plan to meet procurement procedures were more expensive.
- The Green Small Business programme aims to demystify the process of reducing a firm's carbon footprint. It is a focused programme designed to enable businesses to develop a systematic approach to net zero.

Taking different routes up the climbing wall

Typology of Different Combination



SMEs and Net Zero – 1% Club

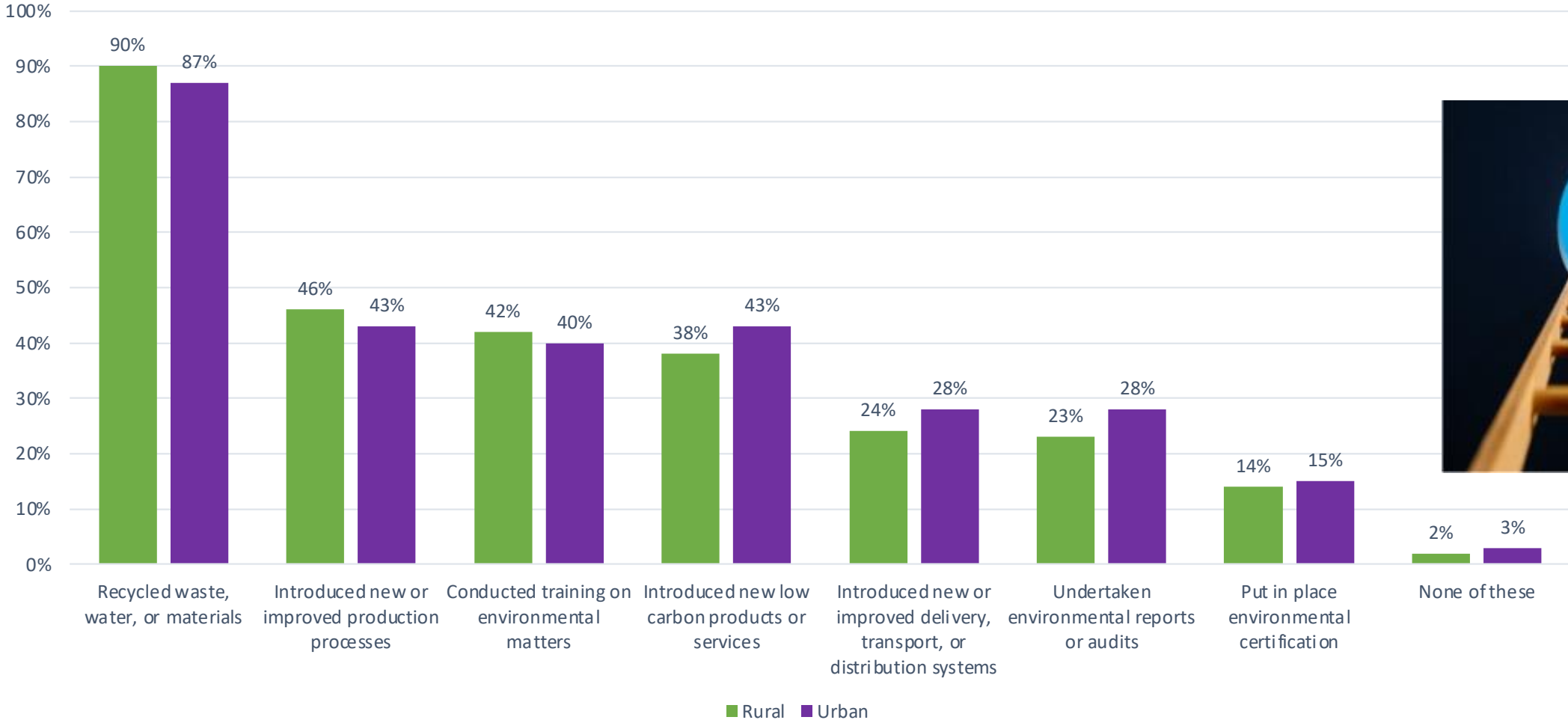
- We report on 10 spotlight programmes
 - Each region has one and there's an extra national
- These 10 spotlight programmes supported 1,418 businesses.
- That's 142 businesses per programme.
- Across the 282 programmes pro rata is 39,988 businesses
- 39,988 businesses is 0.82% of the business population
- A drop in the ocean



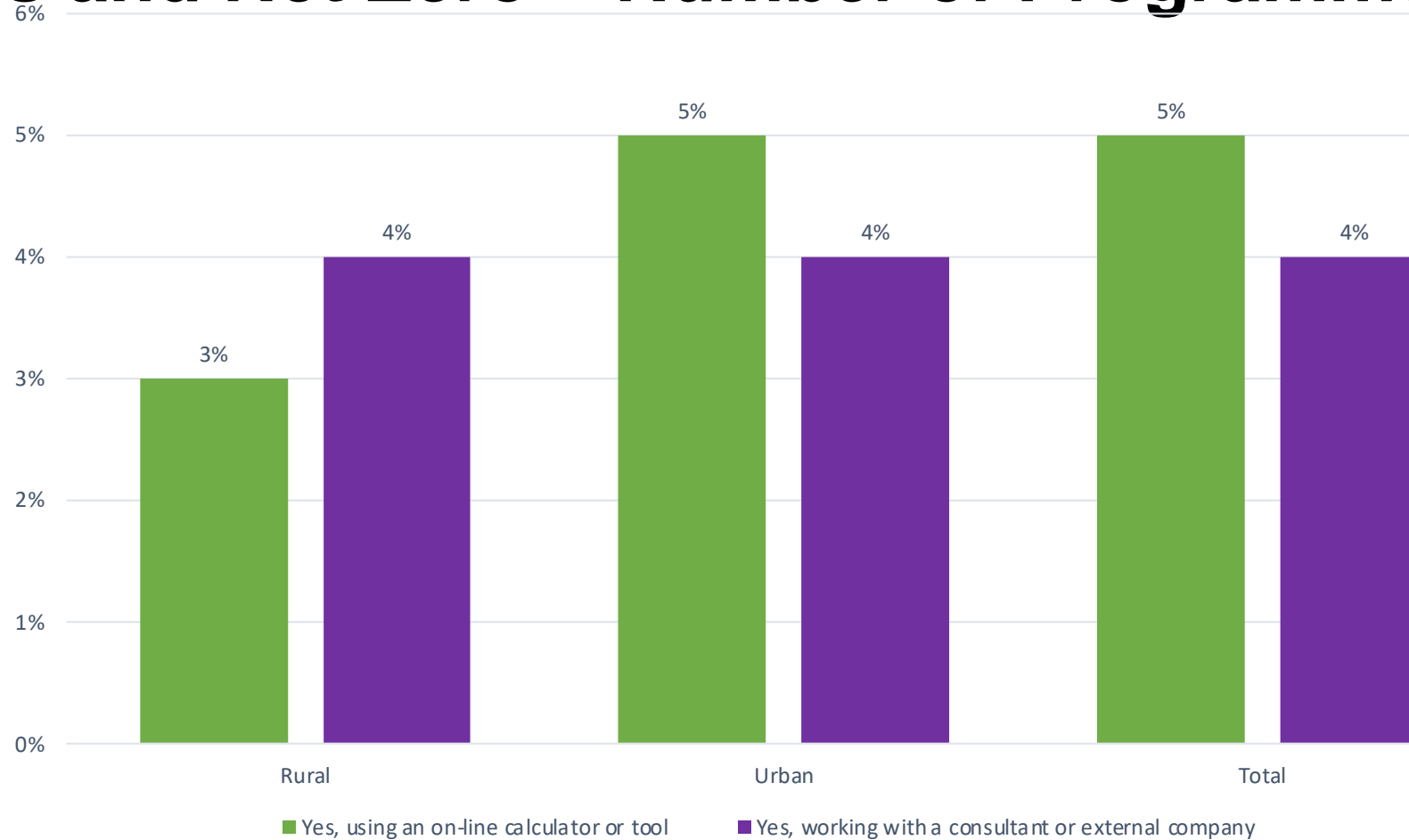
Some recent Survey Data from Summer 2023 produced by National Innovation Centre for Rural Enterprise



Ladder of Net Zero



SMEs and Net Zero – Number of Programmes



Just 3% of rural and 5% of urban businesses measured their GHG emissions “*using an online calculator*”. In addition, 4% of both rural and urban businesses measured GHG emissions through “*work with a consultant or external company*”.



SMEs and Net Zero – Recommendations



The UK Government should simplify the English business support landscape



Local authorities should consult business



Local authorities should share more information about net zero support programmes with neighbouring local authorities and allow them to participate.



Local authorities should - where possible - offer businesses a combination of an audits and grants.



Thank you

For further details please visit :

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