

**Environment and
Sustainable Communities
Overview and Scrutiny
Committee**

24 January 2020

**Business Energy Efficiency
Project (BEEP) 2**



**Joint Report of Ian Thompson, Corporate Director of Regeneration
and Local Services and John Hewitt, Corporate Director of
Resources**

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 The purpose of the report is to provide members of Environment and Sustainable Communities Overview and Scrutiny Committee with information on Business Energy Efficiency Project (BEEP) 2.

Executive summary

- 2 BEEP's first phase has concluded in September 2019, with a thorough review completed to summarise achievements and gather lessons to be learned. Building on this, a further funding application was submitted and the project concept, enhanced and increased in size, has been supported through ERDF funding for a further 3 years.

Recommendations

- 3 That Members of Environment and Sustainable Communities Overview and Scrutiny Committee are recommended to:
 - a) Receive and comment on the content of the presentation.
 - b) That a further report and presentation is brought to a future meeting of the committee.

Background

- 4 At its meeting on 12 July 2019 the Environment and Sustainable Communities Overview and Scrutiny Committee agreed its work programme for the year ahead. Included within the work programme is an item on BEEP 2.
- 5 The Environment and Sustainable Communities Overview and Scrutiny Committee at their meeting on 11 December 2017 received a presentation on the BEEP that included a holistic view of the project including project specific branded materials, economic benefits and outputs, and an update on several developments which are expanding the reach of BEEP into national best practice and leading a national level trial.
- 6 The Business Energy Efficiency Project (BEEP) supports Small to Medium sized Enterprises (SMEs) across County Durham to generate financial and carbon dioxide emissions equivalent (CO₂e) savings through energy efficiency and energy awareness.
- 7 The Environment and Sustainable Communities Overview and Scrutiny Committee have followed the progress of BEEP1 with regular updates included in the EU Funding and Other Funding for Low Carbon Projects report that was considered by the committee on 17 April 2018 and visited business that had benefited from the project on 25 April 2018.
- 8 Arrangements have been made for members of the Environment and Sustainable Communities Overview and Scrutiny Committee to receive a presentation from the BEEP Manager Helen Grayshan will provide information on the BEEP 2. The presentation will include information on:
 - **What did BEEP1 achieve?**
 - **Aspirations for BEEP2**
 - **Targets**
 - **What's different between the two projects**
 - **What happens post-BEEP**

Detail

- 9 BEEP's vision is that SMEs in County Durham will be supported to become as energy efficient, cost effective and low carbon as possible. The BEEP team are proud to have assisted SMEs across Durham to reduce their energy spend and have made many businesses – from micro businesses to large SMEs – more environmentally friendly as a result.

- 10 BEEP 1 hit its the target for number of businesses supported (C1), with a total of 262 businesses engaged throughout the project, and 240 of those getting the full 12 hours of support.
- 11 The team has spent more than three thousand hours supporting these businesses, resulting in 1500 CO₂e saved and a total value of £122,557 of energy efficiency works undertaken in Durham SMEs.
- 12 An independent research project to review BEEP1 has also identified several unintended outcomes, including increased joint working between DCC teams, new working relationships between SMEs (such as sharing of waste products and joint working on the deployment of low carbon technologies) and the development of BEST (a project based on BEEP, led by Newcastle City Council). A copy of this report can be found at appendix 2. We have identified partnership working with other business energy efficiency projects, influence to change ERDF funding guidelines and the recognition of BEEP and DCC at a national level.
- 13 With specific regard to the future of the Project, the review recommended that:
 - BEEP 2 should be more ambitious, including increased funding and more specifically a larger budget for SME grants. The first grant 'pot' did not cover demand and was used up too early in the project.
 - In terms of BEEP delivery, stakeholders called for variable support levels based around SME size, diversifying the measures and support provided by BEEP (including low carbon technologies, smart and advanced metering technologies, energy brokerage, planning and Power Purchase Agreement (PPA) support).*
 - Stakeholders felt that while the team should continue to focus on engagement of new SMEs, there should be time spent offering further support to SMEs who went through the programme and those that showed an initial interest but then declined support.
 - The team should continue to develop best practice case studies but these should be actively shared across partnerships and existing networks to increase the visibility of BEEP and its success as a programme.
 - The team should use national, regional and local datasets on energy demand to target BEEP interventions. This should include

targeting commercial buildings with low Energy Performance Certificate (EPC) ratings.

- Finally, in terms of partnership working, BEEP should continue to work with SME and energy focussed stakeholders, building on offers of further joint working identified through our stakeholder engagement.
- 14 BEEP had a number of unintended outcomes as well as its intended ones around carbon saving and SME support. A pilot project for BEIS investigating ways to reduce disincentives that occur through the Business Rates system has also been developed and funded.
 - 15 Another piece of research, funded through the LOCARBO project, has looked at the holistic and cash value of business energy efficiency projects across England. BEEP was the first, and there are now 35 funded through ERDF, including two more in the north east of England. The pilot research shows that such projects protect jobs, create more pleasant working environments, and provided good value for money on carbon savings. This research has created an example live dashboard for monitoring such savings and benefits which we will ask the relevant government department to adopt.
 - 16 BEEP2 went to Outline Application in November 2018 and to Final Application in June 2019, being successful at both stages. The majority of the above recommendations have been incorporated where the funding guidelines permitted.
 - 17 The recommendation marked with an asterisk * is partially incorporated – grants can now start at a minimum of £500 rather than £100 which is easier to access for very small businesses. However the 12 hours of support is a fixed indicator required by the funder.
 - 18 The targets for BEEP2 2019 -2022 are:
 - Number of enterprises receiving support (C001) - 324
 - Estimated Green House Gas reductions (C034) – 2632.5 T CO₂e

19 Funding

	ESIF (£)	Public Match DCC	Private Match SME's	Total	ESIF Contribution rate (%)
ERDF revenue	£1,038,010	£82,957	£609,050	£1,730,017	60%

- 20 BEEP2 commenced operations on 1st October 2019, and so far has support 12 SMEs with the full audit support, given out 2 grants, and has more than 50 further SME's in the pipeline for support. A new Manager and Engagement Officer have been recruited.

Conclusion

- 21 The Environment and Sustainable Communities Overview and Scrutiny Committee is asked to note and comment on the content of the report and presentation.

Background papers

- BEEP 1 Summative Assessment 2019

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Appendix 1: Implications

Legal Implications

Not applicable

Finance

Not applicable

Consultation

Not applicable

Equality and Diversity / Public Sector Equality Duty

Not applicable

Human Rights

Not applicable

Climate Change

The project will save 2633t of carbon dioxide equivalent emissions over 3 years in direct delivery. It will also promote and disseminate information, materials and skills for businesses to take further action on carbon saving.

Crime and Disorder

Not applicable

Staffing

Not applicable

Accommodation

Not applicable

Risk

Not applicable

Procurement

Not applicable

Appendix 2: BEEP 1 Summative Assessment 2019

Attached as separate document.