



Report sponsor: Acting Director of Planning and Transportation  
Report author: Senior DE-Carbonise Project Officer

## **Reducing Carbon Emissions in Derby – DE-Carbonise and D2EE**

### **Purpose**

- 1.1 This report summarises the achievements of the Derby and Derbyshire Energy Efficiency (D2EE) project; a 3 year energy efficiency project part-funded by the European Regional Development Fund (ERDF) which ended in October 2019.
- 1.2 The report introduces the DE-Carbonise project; a 3 year project working with small and medium sized enterprises (SMEs) to help them to reduce carbon emissions and save money. This collaborative project between Derby City Council, Derbyshire County Council and the University of Derby is part-funded by ERDF and started in November 2019.

### **Recommendations**

- 2.1 To acknowledge the achievements made during the D2EE project in supporting Derby businesses by lowering their energy costs and carbon emissions and thereby increasing their resilience and potential for growth.
- 2.2 To support the DE-Carbonise project by promoting it to businesses and partners across Derby, to maximise benefit to Derby businesses and reduce carbon emissions.
- 2.3 To acknowledge the role that the D2EE and DE-Carbonise projects' have played, and will continue to play, in supporting the Council's response to the declared Climate Emergency.

### **Reasons**

- 3.1 D2EE has demonstrated how working with businesses on energy efficiency can achieve excellent carbon, cost and energy savings.
- 3.2 The DE-Carbonise project needs to engage as many eligible businesses as possible to generate maximum benefit to Derby, meet targets, and also to maximise positive publicity of the project.
- 3.3 The DE-Carbonise project can work alongside other Council initiatives/teams to add value to council services and reduce carbon emissions where there is good project alignment. For example, the project is working with the Traffic and Transportation team to reduce business transport carbon emissions.

## Supporting information

### D2EE Project – a success for Derby

- 4.1 The D2EE project provided free energy consultancy and grants towards the cost of installing energy efficiency measures to help small and medium sized businesses (SMEs) in Derby and Derbyshire to reduce their energy use and bills.
- 4.2 Grants were offered towards the cost of energy efficiency improvements to premises or process equipment, which could include: lighting; heating; insulation; ventilation; efficient equipment and renewable energy generation.
- 4.3 The D2EE project was highly successful and exceeded its ambitious targets:
  - Over 500 businesses engaged and over 350 energy audits carried out at premises
  - 168 grants awarded totalling £957,460
  - £1,067,000 of private sector investment leveraged;
  - 1,180 tonnes of carbon emissions saved per year from grant-funded measures (against original target of 517 tonnes);
  - 100 businesses received 12 hours of free energy consultancy
  - Cost saving to businesses of over £353,000 per year.
- 4.4 D2EE won 'Energy Efficient Local Authority of the Year 2018' and 'Energy Efficient Local Authority of the Year 2019' at the East Midlands Energy Efficiency Awards. The project was a finalist for the Association for Public Service Excellence (APSE) Awards 2019 and was shortlisted for the Institute for Environmental Management and Assessment (IEMA) Sustainability Awards 2019.

### DE-Carbonise Project – even more scope for carbon savings

- 4.5 The DE-Carbonise project builds on the D2EE project (and BESPOKE project before this), continuing to work with SMEs, and helping them not just with energy efficiency but also with other carbon reduction measures including resource and waste reduction and reducing transport emissions. These measures can also reduce business costs significantly.
- 4.6 Outputs for the DE-Carbonise project include:
  - £920,000 of funding to be distributed as at least 115 grants of £1,000 – £20,000 to cover 40% of the cost of installing carbon reduction measures within SME premises, subject to carbon saving thresholds being met.
  - Free consultancy, including Carbon Reduction Audits and recommendation reports to assist SMEs in prioritising investment.
  - Saving at least 969 tonnes of Greenhouse Gas (carbon) emissions to the local environment.
  - Grants will leverage at least £1.38m of private sector investment in carbon reduction measures.

- 4.7 Key DE-Carbonise activities:
1. Carbon Reduction Audits to identify opportunities for carbon-reduction measures within SME premises and business activities.
  2. Support with grant funding for implementation of recommended measures.
  3. Interventions tailored to individual SME needs including technical and business consultancy, supported by the University of Derby. For example:
    - a. Decarbonising manufacturing materials and processes
    - b. Reducing energy and resource consumption including data analytics
    - c. New low carbon product development
    - d. Support to scale-up supply of low carbon goods and services
    - e. Laboratory-based demonstrators
    - f. Novel in-situ demonstrators
    - g. Access to low carbon business support, events and workshops.
- 4.8 The project will continue to increase the profitability of local businesses by reducing their bottom line. For a relatively small amount of match funding the DE-Carbonise project can have a significant impact benefiting a large number of businesses with either simple, cost effective interventions which have been tried and tested, or specialist support to introduce low carbon innovations. Energy, resource and transport prices will continue to rise over the coming years so it is essential that we continue to offer the local business community the support they need to reduce their costs in order to be more resilient.
- 4.9 The DE-Carbonise Council team is composed of three full-time members of staff, who previously worked on the D2EE project and one 0.5 newly-recruited team member. They are supported by two 0.5 transport officers from the City and County. The team has valuable skills and experience in this field, which benefits the Council.
- 4.10 The securing of funding for the DE-Carbonise project means that a successful, established energy/carbon reduction project offer with a recognised brand and stable pipeline is being taken forward and built upon in an area where Derby City Council has a severe lack of resources and service offers.

## **Public/stakeholder engagement**

- 5.1 The D2EE and DE-Carbonise projects have engaged with businesses networks and individual businesses across city and county via:
- Marketing with existing networks; i.e. Marketing Derby and East Midlands Chamber
  - Marketing via social media – Twitter, LinkedIn and paid Facebook adverts
  - Visiting clusters of businesses, such as business parks and industrial estates, to talk to businesses individually about the project offer and hand out flyers
  - Attending various events including Marketing Derby, University of Derby, East Midlands Chamber, localised District events
  - Networking and working alongside Officers at the majority of District Councils and with D2N2 Growth Hub
  - Presenting at events such as the Federation of Small Businesses Derby Networking sessions and the annual East Midlands Chamber Sustainability Summit.

- 5.2 During D2EE, the project team evaluated the most effective ways of marketing the offer to businesses. For example, a Facebook campaign and direct flyering of businesses were the most successful methods. As D2EE has been so successful, marketing for DE-Carbonise has been less important as there is already a pipeline of interested businesses. However, marketing in Derby is a key priority as the uptake within the city has been lower than the county.
- 5.3 East Midlands Chamber has created a new “Environmental Impact Award” for this year’s Business Awards. The DE-Carbonise project can support this initiative by encouraging businesses which have worked with D2EE and DE-Carbonise to apply and to showcase the improvements which they have made with the support of these Council projects.

### Other options

- 6.1 N/A

### Financial and value for money issues

- 7.1 The project is funded by £3.1m ERDF, with match from the Council (following a successful bid to the Derby and Derbyshire Business Rates Recycling Programme. The remaining capital match comes from grant recipient SMEs (they provide at least 60% match against their grant for carbon reduction measures).

### Legal implications

- 8.1 None directly arising from this report.

### Other significant implications

- 9.1 None directly arising from this report.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	N/A	
Finance		
Service Director(s)	Acting Director of Planning, Transport and Engineering	07/03/2020
Report sponsor		
Other(s)	Head of Planning	06/03/2020

Background papers: None

List of appendices: None