

Green Enterprise Working Group Conclusions: March 2012

1. Introduction

This report sets out key recommendations of the Carbon Commission's Green Enterprise Working Group. It sets the background and context, the working group's brief, the key areas/themes considered and the main recommended actions/projects for the short and long term.

The group was tasked with recommending actions for the Council to support green businesses, green skills and green jobs. The Green Enterprise Working Group met in January and March 2012. The first meeting focussed on agreeing the priority areas for the scope and approach. The second meeting focussed on priority initiatives.

Appendix 1 to this report sets out the national, London and local context to Green Enterprise and the local context on education, skills and employment.

2. Green Enterprise Working Group Scope and Approach

In setting the scope and priority areas of focus, the group discussed the following key questions:

1. Is the priority supporting green enterprise to enable Haringey to meet its 2020 targets or on using the 2020 targets to support green enterprise? In other words, is the primary objective of the group to identify carbon reduction opportunities or economic growth opportunities?

There was not unanimous agreement but the majority favoured initiatives to support both with economic growth being the main focus.

2. Given limited resources, the group were asked to prioritise where the focus should be for the following: existing business growth; inward investment; new business formation; skills; and education.

It was agreed that many of these elements could be tackled together and that the work of the Carbon Commission could have a positive impact on rebalancing the local economy more towards the private sector. Existing business growth and new business formation were considered the priorities.

3. Should the focus be on short term wins or longer term, more aspirational initiatives?

Both are obviously important but it was agreed that a balance was required. With many local authorities, towns and cities focussing on how they can stimulate green growth, it is important that Haringey use the very aspirational Carbon Commission agenda to deliver short term economic value at the same time as investing resources in to longer term opportunities.

3. Conclusions and Recommendations

The headline conclusions and recommendations are:

- There are significant opportunities for green enterprise in Haringey but we must learn from what others have done in this area and where they have been successful. This includes the considerable work of the LDA over the last few years looking at London as a whole and east London as a priority area.
- The agenda is enterprise/jobs/skills, not just low carbon and environmental goods and services. For example, new jobs for builders, electricians and roofers from retrofit are a priority.
- The starting point needs to be existing activity within the Council's control. The greater the control, the greater the potential for driving economic growth and carbon reductions. For example, directly controlled development such as at Tottenham.
- The focus therefore is on all Council activity, not just carbon reduction activity. For example, investment in schools can prioritise sustainable goods and services which in turn can drive local supply chains and skills.
- There is a significant opportunity from mapping planned spending over the next two to five years and directly linking this to local jobs, skills and education opportunities to enable joined up planning and investment.
- The priority short term areas for the Council to focus on are:
 - a) Council led development activity feeding local supply chains for goods and services and supporting high profile low carbon demonstrator projects
 - b) Development activity which the Council can impact through funding, political influence or planning
 - c) Council procurement supporting local green enterprise
 - d) Buildings retrofit, including Green Deal opportunities
 - e) Work with the North London Waste Authority on materials re-use new business opportunities
 - f) Direct and indirect support for the growing LCEGS businesses in the Upper Lea Valley
 - g) Provision of meanwhile space for low carbon start ups
 - h) Work with existing businesses and academics to secure funding for high profile research and demonstration projects

- The priority longer term areas for the Council to focus on are:
 - a) Work with North London Waste Authority on helping shape the upcoming contract
 - b) Active support for securing the Upper Lea Valley as London's centre for low carbon industry
 - c) Sustainable transport, including greening the council's fleet and supporting associated local businesses
 - d) Investigate potential for utilising business rates, tax credits etc

4. Suggested Actions to Deliver Green Jobs and Carbon Savings

4.1. Short term

1. **Include a Green target in the new Council employment programme** i.e. 10% of fund focus on green job creation.
2. Use **Green Deal as a basis for short term actions including job creation - energy assessment, retrofitting, SPV** and linked skills developments.
3. The borough should host a **Green Economy event** to show Haringey commitment to the agenda. Invitees should consist of land owners, HfH and RSLs.
4. **Green Empty Desks ('Green Meanwhile)** to support low carbon vibrancy for start-up groups.
5. Ensure the **new Spurs ground development includes a green show case project** (lighting).
6. Work with Sainsbury's who will be building 2/3 new stores in the borough around "**embodied energy.**"

4.2. Longer term

1. Establish a **flagship project partnering with a tech company and an academic body** (i.e. Imperial College) for training or a pre-skills priming initiative in the borough.
2. Set up a **co-operative/social enterprise** to offer more security for smaller local contractors within public sector procurement frameworks and insert social clauses and **redefine 'value' in procurement contracts to favour local sustainability work.**

3. Set up a **low carbon construction/enterprise research project** looking at both retrofit and new build in a joined up manner i.e. from management to instalment; initiate enterprise and research looking at waste as a resource, up-cycling and designing for reuse. In doing so Haringey would be the first LA to take a **cradle-cradle approach**.
4. Investigate developing **Haringey as a North London Hub for construction and reuse** similar to BioRegional's South London construction and reuse centre in Corydon.
5. **Go further than Green Deal**; look at all council spending and see where extra funding can be leveraged in i.e. s106 money for low carbon projects.
6. Have a **'Fabrics First' approach to construction in the borough and enforce through LBH planning policy**

5. Ongoing Challenges

1. Establish what influence LBH can exert on taxation and the **localisation of business rates to engender carbon reduction**; and trial this approach; develop incentives for planning processes through **carbon tax credits**.
2. Green regeneration must be married with skills and wider regeneration; gain potential employer support and engagement through **sponsorship deals for training initiatives**.
3. Form partnerships with industry experts to evaluate completed works to help inform future work and find routes to **grow long term industry out of the retrofitting market**.
4. Look at planned activity and ensure LBH can consistently produce a green offer (including space and support) and prioritise how to make the most of the limited industrial space within Haringey.

Appendix 1 Economic Background and Context

1. National context¹

In 2009 Innovas, on behalf of BERR undertook a study which looked in detail at the Low Carbon and Environmental Goods and Services (LCEGS) industries, assessing the scale and nature of economic activity as well as considering future growth potential. This found that the sector was worth approximately £107bn in 2007/08, representing 3.5% of the global market. The value of LCEGS activity within the UK places it broadly on a par with the healthcare and construction sectors.

Breaking these figures down further LCEGS activity is categorised into Environmental, Renewable Energy and Emerging Low Carbon sub groups. The Environmental sub-group of activities are the more established both within the UK and internationally, however it is the newer activities within Renewable Energy and Emerging Low Carbon which are of higher value, representing almost three quarters of the total value.

Over a third of activity (by value) within the LCEGS sectors was classed as manufacturing. Coupled with the importance of environmental activities such as waste handling, this presents important opportunities for the Upper Lee Valley which has a strong heritage and existing base of activities within these areas.

The manufacturing elements are particularly important within the renewable and emerging low carbon activities given these are still maturing markets and products and technologies are still under development. This potentially offers significant opportunities to attract research and development activity to the Upper Lee both through product development but also concept development, utilising local skilled businesses for the manufacturing and testing of components.

This opportunity is reinforced by the analysis of likely future growth trends which are likely to be strongest in the emerging sectors with environmental activities considered to be relatively mature and therefore only increase in line with wider economic activity and population growth.

The LCEGS sector (as defined by Innovas) is reliant upon a good quality and diverse supply chain, indeed Innovas estimated in 2009 that approximately 48% of the value of the sector came from the wider supply network of specialist 'low carbon' businesses.

Again this is an important consideration for future strategy within the Upper Lee with a need to recognise the importance in supporting activities which link to specialised low carbon activities and the role the presence of a high quality supply chain can play in attracting new businesses to the area.

¹ Upper Lee Valley, Low Carbon Economy: opportunities, barriers and interventions, GVA 2011

2. London region context

In its research publication “Green Expectations: London’s low carbon job prospects” (2010) the LDA estimate London had been the largest regional beneficiary of the growth in LCEGS sectors with an estimated growth rate of 5.9%, driven primarily by the concentration of carbon trading activities within the City. Indeed it is estimated that carbon finance represents a quarter of the total LCEGS value within London.

London’s strongest sectors outside of carbon finance lie within the alternative power, alternative fuel and waste management activities, in particular photovoltaic and geothermal technologies are considered key markets. The final sector strength lies within building technologies, although this is seen as a less mature market and is underrepresented when compared to the UK as a whole.

The key strengths of the London economy are underpinned by the scale of urbanisation within the region which is, unsurprisingly, much higher than other parts of the UK. This provides core drivers for a number of sectors, in particular the uptake of alternative power generation technologies and the more efficient handling of waste.

The scale of the market within London is driving firms to locate within the area, particularly in areas where there is an existing base of employment land and congruent skills. At present it is estimated over 5,000 businesses within London are engaged within the LCEGS sectors, either directly or through supply chain relationships. With increasing focus on a number of under-developed markets (such as building technologies were the scale of commercial, residential and public buildings offer major opportunities and considerable public incentives are in place) future growth within the LCEGS sector in London is expected to outstrip growth in other economic sectors.

3. Local context: Upper Lee Valley and London Borough of Haringey

The Upper Lee Valley (ULV) is formed by the eastern edges of Haringey and Enfield together parts of western and south west Waltham Forest. The area has a long history of being at the heart of industrial development of London - the ULV was the cradle of the post industrial revolution being the birth place of the thermionic valve and other semi conductors.

A new potential role for the Upper Lee Valley is emerging as a centre for green industries based on resource recovery, energy from waste, alternative fuel, low carbon vehicle supply and maintenance and precision engineering companies which support the sector. Key companies which are located in the Upper Lee Valley include London Waste Ltd, PHS Maxitech, Oakwood Waste Turnomatic, Hydraulic Engineering, Vibra Engineering, Johnson Matthey Rimex Metals, Iveco, Fed-Ex, TNT, Brantwood ELV, Hiremech, Pure Fuels, Green Miles Fuels, UOP Honeywell and Fuchs Lubritech.

Over the past two years Greenstar, now known as Biffa, has invested £50 million in new plant in Enfield and Hiremech which is the London Authorised Dealership for the TATA range of electric vehicles has also recently invested on the Brantwood estate in Haringey. Kedco, a Czech based company has secured planning permission for an advanced gasification plant, demonstrating the attraction of the ULV to business in this broad sector.

In 2014, North London Waste Authority, the waste body for the seven north London boroughs will let a waste handling and fuel use contracts valued at over £3.5 billion. Much of this new investment will be located in the Upper Lee.

It is estimated that the borough of Haringey currently has just over 1000 jobs in the LEGS sectors. The table 2 below shows the sectors represented in the borough. The strongest sectors compared to London region as a whole are waste & recycling, vehicles (repair, sales and servicing), logistics and distribution and food manufacture and wholesale.

Table 1: Concentration of sectors compared to London (1=equal to London region)

	Upper Lee Valley Employment	Location Quotient	London Employment
Waste & recycling	1,243	4.50	14,390
Manufacturing & engineering	284	2.00	7,378
Construction	3,361	1.18	147,697
Vehicle repair, sales & servicing	1,866	3.73	26,060
Logistics & distribution	1,725	5.90	15,204
Fuel development & production	101	1.22	4,320
Food manufacture & wholesale	5,888	6.55	46,818
Total	14,468	2.88	261,867

Source: BRES 2009, GVA 2011

Importantly for each of the key sectors the NLSA Study identifies the key existing actors who are already participating, or have the potential to do so within the low carbon economy.

Table 2: LEGS present in the Upper Lee Valley

Sector	Existing	Future
Domestic & commercial waste recycling	London Waste Ltd Greenstar Biffa PHS Maxitech Oakwood Waste	Recyclates as high quality feedstock Green energy generation DEN inputs/user Increase efficiency/critical mass of local collections
Precision engineering & manufacturing	Turnomatic Hydraulic Engineering Vibra Engineering Johnson Matthey Rimex Metals	Bespoke prototyping Manufacture of power generation components Green energy user
Construction & retrofit	Ardmore Construction Volker Group Murphy Ltd Embassy Demolition Coffey Group	ULV development agenda – delivering green buildings Energy saving/generation technology installation
Ultra low carbon vehicle technology	Iveco Fed-Ex TNT Brantwood ELV Hiremech	Supply and servicing of fleets 'Local' logistics Conversion to low carbon fuels
Alternative fuel production	Pure Fuels Green Miles Fuels UOP Honeywell Fuchs Lubritech London EcoPark waste to energy	Green fuel development & production Sustainable power generation DEN inputs/user Greening of distribution

3.1 Growth of green enterprise, new business formation and inward investment

The North London Strategic Alliance aims to make the ULV a leading Low Carbon destination in London based on its following qualities and opportunities:

- The development of a **decentralised energy network** to provide low carbon, low cost heat and energy. A feasibility study for this scheme has been under development for the past year and a detailed feasibility study is aimed to be complete in June 2012. A low carbon energy infrastructure has been

identified as opportunity to create a unique selling point for the area, attracting inward investment.

- The enterprise opportunity from building retrofit and decentralised energy is estimated at £500m for the borough of Haringey alone. There is significant opportunity from **retro-fitting homes and buildings** associated with the Green Deal a cross borough retrofit scheme is currently under development (implementation planed for 2013/14).
- **Materials re-use** with an exploration of the sector and sub sectors to 'drill down to the areas of opportunity', for example through closing the loop on current untapped resources that could spin off to develop new business opportunities.
- **Enabling measures** such as public sector partners working to improve public transport (such as the frequency and capacity of the rail network), land use and planning framework, knowledge transfer, investment and accessing finance.
- The availability of land, the connectivity of the area and co-location with current low carbon goods and services sectors will be an additional focus for marketing of the area.

A vision document is under development by the Upper Lee Valley and will be accompanied by an action plan by April 2012 and it is intended that the Carbon Commission will guide this work.

3.2 Public procurement

Haringey Council led carbon reduction schemes

There is considerable potential for green enterprise development and job creation through Council led carbon reduction initiatives focussing on retrofitting buildings, decentralised energy development and solar renewable technology. Current and planned programmes are shown in the table below.

Building retrofit and energy infrastructure schemes	Timescales
Schemes underway	
Low Carbon Loans (£500k) Green Deal Pilot Muswell Hill Low Carbon Zone Preferred list of contractors develop – possible link to Haringey job/training schemes	2011/12- 2012/13
Green Home Makeover (£170k) Muswell Hill Low Carbon Zone (complete March 2012)	2010/11- 2012/13
RE:NEW Area based housing retrofit Northumberland Park (£125k) Link to London RE:NEW framework and jobs/training programmes	2011/12
Solar Panel capital investment on Council owned buildings up to (£8m) (currently under review post FIT changes) Scheme could be revived if market conditions change – likely to use Birmingham or other public sector framework	2011/12
Solar Panel roof rental scheme on Council owned buildings up to (£8m) (currently under review post FIT changes)	2011/12
Schools Sustainable Investment Fund (£1m) revolving fund for energy efficiency improvements Existing Haringey procured contractors/framework	2009/10- 2013/14
Sustainable Investment Fund (£2m) revolving fund Haringey Council corporate property energy efficiency improvements Existing Haringey procured contractors/framework	2009/10- 2013/14
Schemes at feasibility stage	
Pan North London borough Green Deal scheme (£1bn) over 10 years 2012/13 Procurement	2012/13 Agree scheme
Upper Lea Valley Decentralised Energy scheme - feasibility for satellite schemes in Tottenham area connecting to cross borough network (up to £13m for Haringey alone) 2012/13 Procurement	2012/13 Agree scheme

In addition to this there is an opportunity from the wider contracts for building services, waste and new developments and the wider regeneration of Tottenham.

3.3 Education & skills

3.3.1 Context

Haringey has historically suffered from high levels of labour market deprivation, exacerbated by the recession of 2008 and subsequent economic turbulence.

At present (July 2010 to June 2011), 61.6% of people aged 16-64 in Haringey are in employment, below both the London and England rates of 68.1% and 70.3% respectively. Some 27,720 people in Haringey are claiming an out of work benefit² (May 2011), equivalent to 17.5% of the population aged 16-64.

This claim rate is significantly higher than the rates in London (12.4%) and England (11.8%). The claim rate in Haringey is also amongst the 10% highest across all local authority areas in England. Deeper geographical analysis shows Northumberland Park to have the highest out of work benefits claim rate, at 30.4%, of all wards in London.

Some 20.7% of people aged 16-64 in Haringey have a NVQ level 1 or below qualification, higher than the London rate of 18.9% but lower than the England rate of 24.4%. However, the competitiveness of the London labour market is such that the demand for high skills is increasing. The London Skills and Employment Board (LSEB) forecasted that by 2020 the demand for highly skilled workers in the capital will increase to the extent that 50% of employees will need an NVQ level 4 qualification³.

Youth unemployment is a particular issue in the borough, with the number of people aged 18-24 claiming Job Seekers Allowance (JSA) currently (January 2012) standing at 2,160; 62% of these young people live in Tottenham. The percentage of people aged 18-24 claiming JSA in Haringey (10.9%) is higher than both the London (7.6%) and England (8.0%) rates.

There are currently (December 2011) 291 young people aged 16 to 19 who are not in education, employment or training (NEET) in Haringey, representing 4.3% of all 16 to 19 year olds in the borough that are known to be NEET or in education, employment or training (EET). However, the status of 33.4% of young people aged 16-19 in the borough is unknown, far exceeding the target of 8.4%

² Out of work benefits include: Job Seekers Allowance, Employment & Support Allowance, Incapacity Benefit, Severe Disablement Allowance, Income Support and Pension Credit (where the person is under state pension age).

³ London Skills and Employment Board (2007) *Globalisation, skills and employment: the London story*. London Skills and Employment Board.

3.3.2 New Haringey Employment Programme

Haringey Council will be launching a new employment programme in 2012/13 that is currently composed of the following elements:

- **Jobs fund creation scheme** to create a minimum of 200 jobs for unemployed Haringey residents with a strong focus on young people
- **Tri-borough employment programme**, co-financed by the European Social Fund, covering Haringey, Enfield and Waltham Forest that will support 600 people across the three boroughs into sustained employment
- **Sustained employment project** that will support 360 people (young people, parents) into sustained employment
- **An enterprise scheme** that will support 50 people into self employment