

Opening Statement: Local Enterprise Offices (LEOs) for the Joint Oireachtas Committee: Enterprise, Trade & Employment

Regarding: Enabling SMEs to reduce their energy and carbon demands through green initiatives and technology.

Committee Room 1, Leinster House, at 9.30 am on Wednesday, 27th September 2023

Introduction:

Dear Chair and members of the Joint Committee on Enterprise, Trade & Employment – thank you for the invitation to attend this meeting to discuss this very important topic. I would like to be associated with the sentiments expressed by Mr. Clancy.

My name is John Magee, and I am Chair of the Local Enterprise Offices' Network and Head of Enterprise at LEO Mayo. I am joined today by my colleague Joe Lowe, Head of Enterprise at LEO Leitrim.

Local Enterprise Offices: Background

The Local Enterprise Offices are the first-stop-shop for any small business looking to start or grow. Our vision is to develop and sustain a positive enterprise ecosystem at local level throughout the country that will drive new added-value start-ups, facilitate further growth of micro and small businesses, and enhance local economies.

Almost 10 years in operation, the LEOs are an integral part of each Local Authority and facilitate close collaboration with various initiatives delivered by the local government sector. From an economic and climate action perspective, local authorities – through their Local Enterprise Offices – play a critical role in putting in place initiatives to stimulate the local economy, to support business in creating employment and in building awareness on sustainability.

As Mr. Clancy outlined, the collaboration with Enterprise Ireland is key to the success of the Local Enterprise Offices and ensures businesses of all sizes are assisted on their development journey from start-up to scaling. Our shared objective is to boost the productivity of established businesses and connect enterprises with innovation opportunities at home and internationally, maximising their growth, job creation potential and sustainability.

Recent Performance

2022 was the 9th consecutive year of jobs growth for LEO backed companies. 7,870 new jobs were created by LEO-supported companies in 2022, a 10% employment increase on 2021. 84% of new jobs created were outside the Dublin region.

Since 2014, 37,863 jobs have been financially supported across our portfolio of 7,221 client companies. These client companies are in a diverse range of sectors including engineering, life sciences, cosmetics, technology, food & drink, craft and Internationally Traded Services. We provide a broad range of supports including mentoring, training, technical and expert advice as well as financial supports.

Sustainability and the LEOs

The LEO Network is acutely aware of the challenges presented by climate change and the urgent need to decarbonise our economy. Mr Clancy has already mentioned Ireland's commitments to reducing emissions by 2030 and climate neutrality by 2050 and how the White Paper on Enterprise 2022-30 aligns enterprise policy with the imperative to decarbonise our economy and society. This transition to a low carbon economy will require the concerted efforts of Government, Agencies, Public Bodies, businesses and broader society, all working together.

Sustainability and the decarbonisation of businesses will be a fundamental driver of Ireland's future competitiveness and the long-term health of the overall economy. The need to decarbonise the economy is changing the way our small companies design, produce and consume goods and services. As Mr Clancy stated, sustainability is no longer seen from a business perspective as a 'nice to have'. It is imperative to their resilience; their competitiveness; their attraction and retention of workforce – their future.

Supports

LEOs have a wealth of experience in helping time-poor entrepreneurs by meeting their training needs; supporting them with expert advice; promoting their productivity; and supporting them with the capital to expand and grow. We have used this proven track record to develop and provide appropriate and relevant sustainability supports for small businesses. We seek to help them to become more aware of both the obligations and opportunities presented by national emissions targets and provide practical supports in this regard.

There are three key areas of support:

Firstly, client-specific expert advice to support a green transformation within the business. The **Green for Business** (formerly Green for Micro) support was launched in March 2021 and provides 2 days of engagement with a sustainability specialist who reviews the company's carbon footprint and energy use; their processes, packaging, and supply chain; identifies energy-saving opportunities; and produces a practical sustainability strategy. This is free to the business, with all costs covered by the LEO.

If additional support is required, the company can subsequently avail of **Green Start** which provides a more in-depth professional engagement to improve the environmental performance of the business. Green Start can provide up to an additional 7 days of specialist engagement. Since the launch in 2021, just over €2m has been spent on providing specialist green consultancy to 1,070 LEO clients.

Once a sustainability strategy is in place the business can move on to the second phase of their sustainability journey where they can potentially avail of our new **Energy Efficiency Grant**. This grant supports small businesses to invest in technologies and equipment to make their businesses more energy efficient. The grant will cover up to 50% of the costs to a maximum amount of €5,000. The scheme aims to reduce the impact of small businesses on the environment and can help them to reduce costs to boosts their competitiveness. Since the launch of the scheme at the end of May, LEOs are proactively engaged with our clients to raise awareness of the funding availability and how it can assist their business in progressing their sustainability ambitions.

We have worked with the Department of the Environment, Climate and Communications; Sustainable Energy Authority of Ireland; Department of Enterprise, Trade & Employment; & Enterprise Ireland's LEO Centre of Excellence in the development of these supports. As Local Enterprise Offices, we continue to work collaboratively to identify ways to meet the needs of our clients.

You may be aware that Minister Neale Richmond just last week launched a new national marketing and advertising campaigning to drive awareness and generate interest for our Lean, Digital and Green supports via a new dedicated campaign landing page www.allinadayswork.ie. The page and campaign are generating positive engagement, with a clear message that identifies how our supports help businesses to save Time, Money and Energy.

Conclusion

There is no doubt that meeting our national climate targets is a challenge, but our micro and small businesses are becoming increasingly aware of how they can contribute and make a positive impact. Right now, they are challenged for time and resources, however, and LEOs are having to work very hard to ensure that sustainability remains to the forefront of their thought processes.

We are working with them to raise awareness of sustainability as a core driver of future growth and competitiveness and aligning them to evolving consumer demands and the requirements of shifting business-to-business supply chain environments. We are increasing their awareness of the opportunities presented by sustainability considerations and are seeing micro and small businesses that are insightful and innovative in their entrepreneurship. Only last week at the National Ploughing Championships we saw many examples of LEO clients embracing sustainability with businesses as diverse as compost turners to vertical hydroponic growing to sustainable cosmetics and snacks.

Our Green for Business, Green Start and Energy Efficiency Grant represent a suite of practical and impactful sustainability supports which we are continually reviewing to ensure they meet the needs of our clients. We are conscious that there is no single silver bullet, though, and it requires a combination of expert advice and grant aid to create a stronger correlation between sustainability, energy efficiency and profitability.

Ireland's micro and small business community have made us proud with their ability to adapt, pivot and re-train through Brexit, COVID, the war in Ukraine & rising energy prices. Time and again they have demonstrated resilience, commitment, and innovation. While some sectors remain challenged, many of those businesses have emerged stronger for the experiences they went through and I am confident that, with our help, they will rise to the challenges of sustainability and climate action.

Every small business in the country is encouraged to talk to their Local Enterprise Office in relation to sustainability. We are on the ground, locally and proactively engaging and supporting these small businesses in the challenges they meet. LEOs are committed to playing our part in the Government's response to the climate challenges we now face.

I thank the Committee again for the opportunity to discuss these issues.