

# PLANNING FOR A GREEN FUTURE, LOOKING PAST THE 10-POINT PLAN

Submitted by: Team Energy

Tuesday, 9 March 2021

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As we see a pathway out of the pandemic, TEAM Energy's Head of Consultancy, Tim Holman examines what the Government's net zero ambition really means to UK businesses and, in a countdown to the climate change summit, COP26, considers how they can be part of the journey to decarbonisation.

Two years ago, when the UK became the first major economy in the world to pass binding legislation committing to net zero Greenhouse Gas (GHG) emissions by 2050, the growing climate crisis was the overwhelming challenge facing our world.

The impact of the COVID-19 pandemic over the past year may have changed the focus of global governments, but the collective response has shown that it is possible for nations to come together to collaborate in the interests of all society. Scientific communities from all over the world have been working in partnership to develop vaccines in a moment where science and research has led the way.

Later this year, at the COP26 summit in Glasgow, the UK Government is hoping to deliver a similarly unifying moment in the fight to decarbonise the world. The aim of this pivotal conference, which will call on countries to back more ambitious carbon reduction targets, will be to find ways to help economies adapt to climate change, and harness innovation in a bid to drive down carbon emissions to net zero.

The UK has some success in this area. Since 1990 the total UK GHG emissions have reduced by 44% ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/957687/2019\\_Final\\_emissions\\_report.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/957687/2019_Final_emissions_report.pdf)) with the energy supply sector accounting for around half the overall reduction up to the end of 2019. Ambitions to continue this trend were set out in November in the Government's 'Ten-point plan for a green industrial revolution' (<https://www.gov.uk/government/news/pm-outlines-his-ten-point-plan-for-a-green-industrial-revolution-for-250000-jobs>) which in addition to energy supply and other infrastructure initiatives puts an onus on businesses, public sector organisations and individuals to make buildings "greener, warmer and more energy efficient".

But is this enough?

The latest budget report from the Climate Change Committee (<https://www.theccc.org.uk/publication/sixth-carbon-budget/>) reveals that if we are to meet net zero by 2050, at its current rate, action is not happening fast enough. Their recommended pathway sets out a 78% reduction in UK territorial emissions by 2035, bringing forward the UK's previous 80% target by nearly 15 years. To do this, the report sets out a route map for the UK that suggests reducing demand for carbon intensive activities, improving efficiency, taking up low-carbon solutions, offsetting emissions, and societal change.

Since its launch the Government has been light on detail on its 10-point plan, they had already announced some funding including the Public Sector Decarbonisation Fund (<https://www.gov.uk/government/publications/public-sector-decarbonisation-scheme-psds>) in October that was only open for applications for 3 months. For energy-intensive sectors including pharmaceuticals, steel, paper and food and drink the second wave of the Industrial Energy Transformation Fund

(<https://www.gov.uk/government/collections/industrial-energy-transformation-fund>), which supports the development and deployment of new technologies, was confirmed in February.

Whether the central Government funding, spread across both heavily polluting industries, the public sector, and small businesses alike, will be enough to encourage significant carbon emission reductions remains to be seen. But time again, we are reminded that if we are to deliver these ambitious plans and tackle climate change, everyone needs to play their part with or without funding. So, what does that look like?

#### Limitations to businesses and organisations

There are a number of factors holding businesses back from change.

As highlighted recently in the BSI's Net Zero Barometer

(<https://www.bsigroup.com/en-GB/topics/sustainable-resilience/net-zero/netzerobarometer/>), 8 out of 10 organisations feel they need more guidance and 44% of the businesses surveyed indicated cost as the most significant barrier to decarbonisation. So, any additional Government funding would certainly be welcome from business, considering the stresses on balance sheets will be even more acute due to the pandemic.

The need for carbon reduction is not new but dealing with COVID-19 has become a bigger priority for many organisations. As we see more hope for an end to the pandemic, businesses will emerge differently from when the Government's net zero target and legislation was first passed, they may find themselves with less resource due to organisational restructure and tighter cash flows because of lack of revenue. However, whilst decarbonisation activities have lost momentum the targets have not gone away.

#### Don't get left behind

Whilst there is no legal obligation to contribute to the net zero target, embracing a green recovery is critical to the survival of any business. Numerous pressures to act will intensify as the effects of the pandemic recede. Environmental issues are significantly changing how consumers buy, how businesses build a green reputation, and how individuals see their current or future employers. There is pressure on the supply chain too. Businesses who are making serious plans to reach net zero will be forced to move away from businesses who are failing to adapt and tackle their impact on climate change.

Simply put, to reach net zero any organisation must look at their whole supply chain carbon emissions. If your business is not supplying net zero products or services to customers, then you will need to look to offset your emissions or run the risk of losing business to a competitor who is already net zero. This means, if a business is to survive and thrive in the future, change needs to happen now or be left out.

#### Building the foundations

Time is still on the side of businesses to think about long term goals and how small changes now will impact and influence a suitable carbon reduction pathway. Along with monetary barriers, businesses feel that the lack of resource and knowledge are holding them back, even so, there are ways organisations can establish their own green recovery and net zero pathway. To start, there are three key areas: energy efficiency, embedding an energy conscious ethos and setting yourself up for the future.

The basic principles remain, driving down usage, eliminating waste, and being more energy efficient. The need for these principles to be embedded at board level has never been clearer. Working from the top down of an organisation, a successful energy efficiency strategy will deliver financial savings, a greener reputation, and a more comfortable environment for a workforce.

However, its success relies on everyone in the business. After all, if everyone does a little, no one has to do a lot. Shifting the entire organisation's mindset to think about the energy they use, how they use it and its impact to them personally through behaviour change is a very low-cost investment. Becoming an Energy Conscious Organisation that can deliver great payback and pave the way for a long term, meaningful net zero strategy. An organisation's actions can inspire and educate the behaviour of their workforce beyond the business and into their personal lives.

Since the Government's ten-point plan focuses on technology, a well implemented digital monitoring and targeting solution (<https://www.teamenergy.com/energy-management-software/monitoring-targeting/>) can help. It should complement operations, support compliance, and utilise smart technology, and will help to protect your business from any tighter regulations in the future.

With foundations like these in place, businesses of all sizes can embrace existing technologies. Switching heating from fossil fuels to a renewable heat source like green hydrogen or biomass, for example, would support an organisation's contribution to net zero targets. Adopting renewables sooner will hasten sustainable transformation and provide operational benefits over a longer term.

What is yet to come?

Looking ahead to the rest of 2021. There's renewed optimism for the COP26 conference in November. The United States re-joining the 2015 Paris Agreement will provide a boost to the confidence of the organisers in delivering something substantial to halt climate change. Whilst the UK Government has ambitious targets, it has an equally challenging timeframe. Many of the objectives are required by 2030 and the next ten years will be critical for businesses to act if they want to be compliant with the law.

By the time the conference begins in Glasgow, we may have a clearer view of a way out of the pandemic and the attention of the UK's business and leaders will slowly return to what should have been previously keeping them up at night – the threat to our climate and how to tackle it.

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Notes to Editors

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About TEAM

TEAM is the UK's leading supplier of carbon and energy management solutions committed to driving the

efficiency and sustainability of energy consumption and environmental awareness.

Its expert team works in partnership with organisations to design and deliver tailored management strategies supporting the provision of efficient and effective energy conservation.

The organisations 35-year history of collaborating with energy and sustainability professionals has led to the development of proven, scalable cloud-based solutions and service innovations for optimised reporting, cost recovery and compliance.

Adopted across the private and public sector, education, government, and utilities TEAM aims to meet today's market challenges, offering flexible support options and on-going maintenance.

[www.teamenergy.com](http://www.teamenergy.com)

#### About Timothy Holman, Head of Consultancy

Timothy is experienced in the practical implementation of energy management solutions. With nearly 25 years' experience in energy management, metering, monitoring and targeting, he has been a key player at TEAM since joining in 1997. After graduating from the University of Salford with an MEng Mechanical Engineering, Tim went on to obtain an MSc in Energy Conservation and the Environment from Cranfield University. He is also a Chartered Energy Engineer and a Member of the Energy Institute.

Timothy is a council member of the Energy Services and Technology Association (ESTA) and Chair of their aM&T group. The ESTA aM&T Group provides dedicated support to members who provide a range of products and services targeted at measuring, acquiring, managing, processing and analysing energy data in the pursuance of energy efficiency.

He is responsible for leading the Energy Services department which comprises a team of in-house energy management consultants with a range of skills and knowledge to support customers through energy schemes and initiatives.