



Net Zero Summit, June 2023

Speakers

David Brambley-Crawshaw,
Senior Policy Advisor,
Cabinet Office

Lucy Carraz,
Director - Head of Government Sector,
Buildings and Places and ESG Lead,
AECOM

James Dunham,
Senior Sustainable Finance Advisor,
Pinsent Masons LLP (Chair and Facilitator)

Dominique Gonsalves,
Sustainable Finance Advisor,
Pinsent Masons LLP

Andrew Henderson,
Director of Public Policy,
Pinsent Masons LLP (Chair and Facilitator)

Paul Mustow,
Director, Property Delivery, Capability &
Standards

Rt Hon Graham Stuart, M.P.,
Minister for Energy Security and Net Zero
(keynote)

Dr Alan Whitehead, M.P.,
Shadow Minister for Energy
and the Green New Deal (keynote)

The BSA, in collaboration with Pinsent Masons LLP, organised a Summit updating on Net Zero policies and practice.

Climate change, clean energy and sustainability were key priorities for BSA members, with the sector having a vital role to play in ensuring that the UK met its Net Zero commitments through unlocking innovation, and offering expertise and resources in partnership with central, devolved and local government and business and VCSE organisations, and driving investment in green skills and industries.

This Summit looked at the application of these principles across the public, private and VCSE sectors.

James Dunham opened the Summit by outlining the part government had to play in the transition to Net Zero, and the role of business including in helping clients and in integrating Net Zero considerations into their own processes. He looked at the role of regulation; and risks and opportunities.

David Brambley-Crawshaw focused on the importance of the £300 billion a year spent on procurement in achieving the Government's Net Zero commitments. Contract-specific and locally-set measures were established through the social value model and carbon reduction plans; the National Procurement Policy Statement set out national priorities; low carbon materials options were being looked at in the UK and internationally; and Government Buying Standards and the circular economy both had a major role to play.

David then outlined the ongoing rollout of PPN 06/21, which mandated whole-operation Carbon Reduction Plans for suppliers bidding for major government contracts. He summarised what these Plans needed to entail; it was a pass/fail requirement. Thousands of suppliers had published these, and similar measures were being adopted outside central government. In many ways the UK was leading the way, and the Government was already looking to build on this work.

Following this focus on the importance of public procurement as a lever for Net Zero, Paul Mustow looked at the leverage role of the central government estate. After emphasising its scale, he outlined the Government's latest State of the Estate report; the Government Property Strategy, one mission from which was a smaller, better and greener public estate; the Facilities Management Strategy, including its provisions on sustainability; and the Property Sustainability Strategy, including mitigating the impact of climate change through the development and delivery of comprehensive plans for decarbonising the estate. The Office of Government Property offered advice and spread best practice in these areas across departments.

There had been a 35 per cent reduction in overall emissions over four years, with a reduction in energy use saving £122 million. 92 per cent of waste was recycled, exceeding the target. Collaboration was key, and all who had a role in the built environment had a vital role to play to build on this progress.

Finally in this session, Lucy Carraz considered the role of the private and VCSE sectors, helping clients to achieve Net Zero, making progress internally including navigating PAS 2080, and larger organisations supporting supply chain SMEs on the path to Net Zero. Supplier engagement was key, both to fulfil this important responsibility and, related to this, to account for Scope 3 emissions which was the big challenge.

Lucy highlighted several important points arising from the discussion so far and from the experience of AECOM and the wider business community. These included the role FM had to play; the importance of an organisation's culture; bringing carbon into the decision-making process alongside programme, time and quality; the need to embrace innovation and collaboration across industry; the requirement to monitor progress on delivery of sustainability outcomes in contracts; and not neglecting nature-based solutions.

A panel discussion followed. Questions were asked about the possible future development of PPN 06/21, including on Scope 3. Further progress was always being considered - but cautiously, and taking into account the impact on different sizes of business. One participant noted the option to go further in reporting on a voluntary basis, and another praised the NHS's Evergreen guidance in relation to governance and financing.

The issue of carbon offsetting was raised, which was a thorny issue but generally considered to be a last resort rather than a default option, with the desired order of activity being avoidance, reduction, mitigation and, if necessary, offsetting for any residual carbon. Asked about the balance between retrofitting versus new build, levers such as procurement were available on new build. Technology also had a role to play in relation to operational carbon. There were however significant challenges to be overcome, including budgetary challenges.

Finally, asked about the challenge of skills shortages, speakers outlined the apprenticeships, re-skilling, graduate entry and fast track programmes, not only in London but spread across the UK, including the role of businesses.

Rt Hon Graham Stuart, M.P., Minister for Energy Security and Net Zero, sent a [pre-recorded keynote speech](#), thanking attendees for their work on Net Zero across their areas of work; setting out progress to date; summarising recent announcements and the work of the Net Zero Council; emphasising the potential for green growth and jobs in the future; and ending with a call for action on innovation and unleashing the power of the private sector.

Dominique Gonsalves introduced a session on finance and sustainability. There was a maelstrom of global activity, in terms of UK and international regulation and disclosure frameworks along with shifting stakeholders' expectations. Dominique summarised how just far disclosure requirements had evolved even over a two-year period. Organisations with a presence in the UK would likely need to comply with new UK regulation across their whole business, and other standards or regulations applied indirectly because of the place of an organisation in the supply chain.

There were however opportunities too in aligning interests. Standards existed which helped with organisational integration to meet these requirements.

Andrew Henderson then introduced Dr Alan Whitehead, M.P.. who delivered his keynote speech.

The Labour Party had just launched its Mission to make Britain a clean energy superpower. It was proposing radically to speed up offshore and, especially, onshore wind, along with solar and a commitment to nuclear. There would also be action on the demand side with a nationwide energy efficiency upgrade leading to long-term jobs; a green hydrogen economy to complete the decarbonisation of heavy industry and to underpin long-distance transport; and a phased withdrawal from gas. The current Energy Bill, which Labour had tried to beef up, would enable some of the plumbing of green energy-related measures. Yet the current Government had not joined its measures up or had the necessary scale of ambition. It was now 'last chance saloon' in terms of Net Zero.

Challenges were: the need for patient capital, addressed by a state-owned energy company and investment ramped up to £28 billion in the Green Prosperity Fund during the course of a first term; and the current state of the grid, which was wholly unprepared for the low-carbon economy and needed to be addressed with a comprehensive restructuring plan involving onshore and offshore. The low-carbon ambition would be reflected in wholesale and retail energy markets; retail energy would be linked with investment needed.

Questions focused on the scale of the changes needed, the role of businesses and of local and devolved government, and ways to ensure jobs went to the UK. Speed was the key, including through government entrepreneurship, changes to the regulatory environment, and making rapid progress in different areas systematically as in the US. Businesses would be able to plan ahead with a long-term plan giving certainty for investment and skills; the transition from the brown to the green economy would involve UK jobs, investment and opportunity, and a crash programme of apprenticeships, upskilling and reskilling; and local and regional government would be recapacitated and empowered through localisation of energy.

The Summit was closed with thanks to all speakers and participants. The discussion would be taken forward by the BSA with further Summits and initiatives to be announced shortly.