

PAGABO[®]

In association with



Surveys in
Public Sector

Driving decarbonisation in the public sector





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“My mission is to make sure our country and our children have the prosperity, the security and the stability that they deserve for generations to come. With this government, the UK will lead the way and lead Britain and the world into a cleaner, safer and more prosperous future for all.”

Sir Keir Starmer, Prime Minister

Introduction

In November 2024, Sir Keir Starmer made an unexpected announcement: the UK would now target an 81% reduction in carbon emissions by 2035 – with the expectation that the public sector would lead the way on net zero.

In the months since, the UK government has appeared to make good on those sentiments and reaffirmed its commitment to achieving net zero – most notably, through its ambitious **Plan for Change**. As part of the Plan, which outlines five key milestones for ‘mission-led government’, the government seeks to position the UK as a clean energy superpower – and significant progress is already being made.

Whether it's the provision of a [£300 million funding package](#) to strengthen the clean energy supply chain or the construction of a [major carbon capture and storage network](#), supporting 2,000 highly skilled jobs – decarbonisation is a cornerstone of the UK government's future aspirations.

However, against a backdrop of resource shortages and shrinking budgets, how feasible is the revised 2035

target and what factors are preventing public sector organisations from putting their net zero strategies into practice?

In response, **Surveys in Public Sector** has partnered with **Pagabo** – one of the UK's leading public procurement specialists – to identify prevailing attitudes and proven approaches to decarbonisation nationwide.

Specifically, our comprehensive study asks: how far along the UK's net zero journey is the public sector; what is preventing organisations from making more progress; and how can public bodies ensure they are adopting a strategic approach to decarbonisation?

In answering these key questions, we hope to highlight how perspectives on net zero vary from region to region and sector to sector – and give public bodies the confidence needed to progress their decarbonisation strategies and take net zero to the next level.





About Pagabo

Pagabo is a public sector procurement specialist that helps the public sector deliver projects faster, more effectively, and with greater long-term value.

With expertise that spans strategic advisory through to delivery, Pagabo's CIPS-qualified team provides hands-on support across all stages of the procurement process. Their approach reduces risk, unlocks opportunities and ensures projects deliver not just on

budget and time, but on purpose – particularly around environmental and social outcomes.

Pagabo brings deep knowledge of decarbonisation strategies to the fore – supporting the public sector in embedding net zero goals into project planning, supplier selection and delivery.

For more information, visit: pagabo.co.uk

Survey methodology

Driving decarbonisation in the public sector was conducted by Surveys in Public Sector in partnership with Pagabo. The consultation period ran from Thursday 27 February 2025 to Thursday 3 April 2025.

Survey respondents represent a broad cross-section of job functions across the public sector, including:

Asset Management, Business Management, Cabinet Member Local Government, Chief Executive/Deputy, Commissioning, Contract Services, Energy, Environment, Environmental Health, Facilities & Estates, Governance, Head teacher, Housing Development, Housing Services, Human Resources, Information, IT

Management, Organisational Planning, Planning, Policy, Procurement/Purchasing, Programme Management, Project, Property, Regeneration, Regulatory, Strategy, Sustainability, Sustainable Communities and Transformation/Change Management.

A total of 171 individuals from 147 unique organisations participated in the survey, each of whom received a complimentary copy of the key findings report.

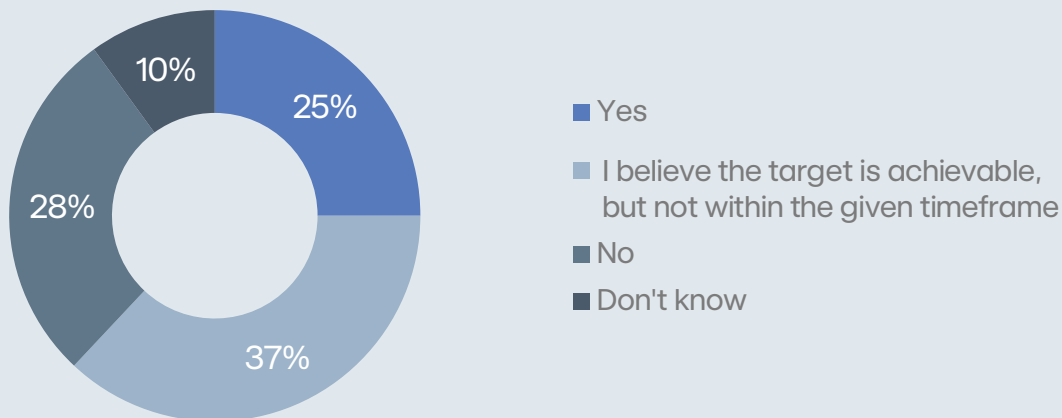
There was no inducement to take part in our research project and Pagabo was not introduced as the survey partner.

Achievable aims and net zero ambitions

During **COP29**, the 2024 United Nations Climate Change Conference, Prime Minister Sir Keir Starmer took centre stage to announce that the UK would now target an 81% reduction in carbon emissions by 2035. However, our findings suggest that just a quarter (25%) of public sector stakeholders believe this target is achievable in the given timeframe.

In reality, 37% feel the UK needs a more realistic timescale, while 28% don't believe the target is achievable at all. This outlook is particularly prevalent in the UK social housing sector and across the South West of England, where specialist supply chains are often limited.

Do public sector stakeholders believe that the target is achievable?

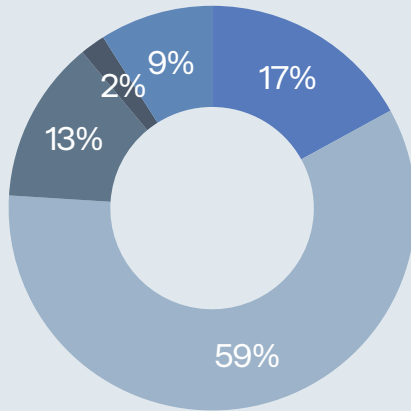


Additionally, given that the **Climate Change Act 2008** stipulates that the UK must meet its net zero commitments by 2050, it's somewhat surprising that just 17% of public sector stakeholders feel their organisation is fully embracing opportunities to achieve net zero. While it is encouraging that over half (59%) have a net zero strategy or action plan in place, it is clear that certain barriers are preventing the public sector from making meaningful progress.

It is also noteworthy that 13% say their organisation has no strategy or action plan in place or, indeed, any formal commitment to net zero whatsoever. This suggests that urgent support is needed – particularly for organisations in the central government and education sectors, or in the Northern Ireland region – where progress is potentially stalling.



The current state of public sector organisations' net zero journey



- Our organisation has an up-to-date strategy/action plan in place and fully embraces all opportunities to achieve the net zero targets
- While we have a strategy/action plan in place, we recognise there are certain barriers preventing our organisation from achieving the net zero targets
- Our organisation is mindful of the net zero targets, but we do not have a strategy/action plan in place or a commitment to any net zero targets
- Other - please specify
- Don't know

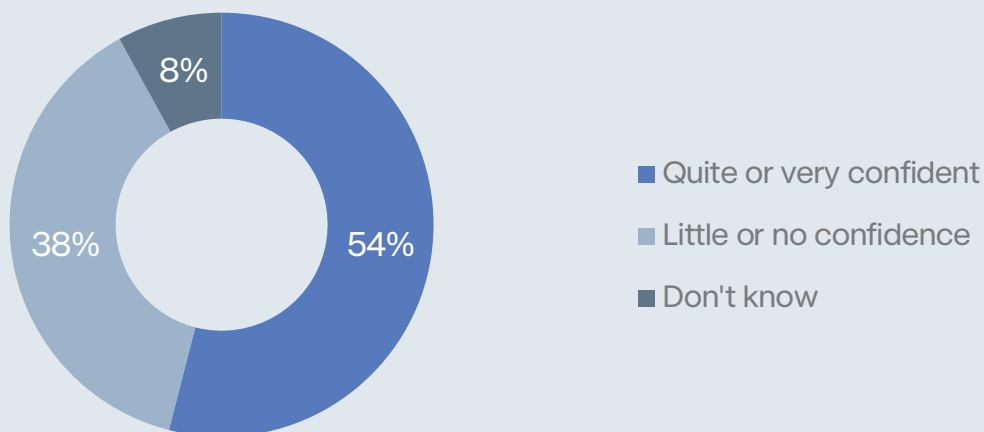
“ There are significant barriers around funding and resource/capacity. While most officers are broadly supportive of achieving net zero, it is not a priority as the delivery of statutory responsibilities takes precedence. Funding needs to be made available for delivery and certain legislation needs updating to allow delivery.

Local government respondent, North East England

Despite this fairly gloomy assessment, 54% of public sector stakeholders feel quite or very confident that their organisation has made meaningful progress towards decarbonisation during 2024/25. However, over a third (38%) have little or no confidence –

especially in central government, in the education and social housing sectors and in Northern Ireland and the North of England – which seems to suggest that certain organisations remain at risk of falling behind.

Are public sector stakeholders confident that their organisation has made meaningful progress towards decarbonisation during 2024/25?



Interestingly, as we established in our previous questions, the majority of public sector organisations have a net zero strategy or action plan in place – so, what is preventing stakeholders from taking their

strategies forward? If process or implementation is a prevalent issue, could third-party organisations step-in to offer advice and guidance on decarbonisation best practice?

“ *As a relatively large trust of schools, we do not have the capital funds to undergo any major works highlighted in our heat decarbonisation plan undertaken in 2023. We are making ‘small steps’ towards being more sustainable through LED lighting replacements, but we will still be replacing heating systems with more energy-efficient gas boilers for the foreseeable future due to budgetary constraints, urgency of requirement and price.*

Education respondent, South West England



“ *Competing priorities in terms of budget provisions being allocated for ‘Decency, Fire and Building Safety’ and ‘Damp and Mould’ are pushing sustainability and net zero down the list. Further funding outside of piecemeal green measures needs to be allocated to support net zero targets.*

Social housing respondent, Yorkshire and The Humber

Driving the decarbonisation agenda

As part of the Autumn Budget, the UK government announced a series of green measures – from the **Public Sector Decarbonisation Scheme** to **Warm Homes Plan** – designed to reprioritise sustainability and net zero. Despite this, one in two (54%) public sector

stakeholders believe that the government isn’t doing enough to deliver on the UK’s net zero commitments – especially in the local government, social housing and education sectors.



54%

of public sector stakeholders believe that the government isn’t doing enough to deliver on the UK’s net zero commitments

Here, funding is proving a particular issue. At a time when budgets are overstretched and public services continue to experience unprecedented demand, public sector organisations appear to lack the necessary resources to take their net zero initiatives forward – with many now looking to the UK government for much-needed support.

Meanwhile, participants also highlighted that specialist skills and government-led training schemes would be required, while others emphasised the need for pragmatism, practical net zero targets and third-party support – from private sector partners or elsewhere.

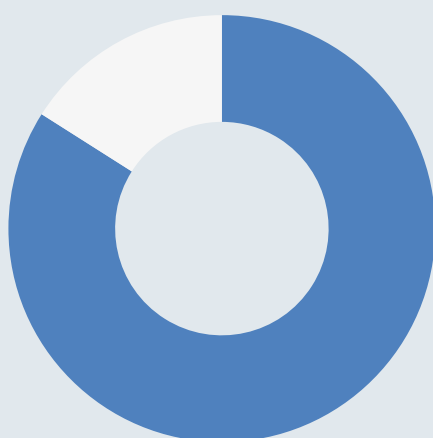
“ *Good policy and measures but achieving the net zero target will require significant investment in terms of infrastructure along with financial levers, developing skills, culture and behaviour change, etc. This cannot all be done by the government. It will require private and third sectors and all of society to significantly engage and contribute.*

Local government respondent, Scotland

Overcoming obstacles to net zero

As we have established, public sector stakeholders are increasingly looking to the UK government for leadership and support on decarbonisation, so it is perhaps unsurprising that the overwhelming majority of participants (84%) feel government decisions

have a medium to high impact on their organisation's approach – particularly those in the blue light, local government and social housing sectors. But where is support most needed?



84%

of public sector stakeholders feel that government decisions have a medium to high impact on their organisation's approach

Substantiating earlier feedback, the apparent 'lack of funding' represents the single biggest challenge to decarbonisation overall (80%), followed by 'competing priorities' (71%), the 'complexities of existing buildings/estates' (64%), the 'perceived cost' (47%) and 'changing policies and regulations' (43%). However, it is worth noting that none of our participants said they were unaware of any barriers to decarbonisation, which appears to suggest that organisations face myriad challenges on many fronts.

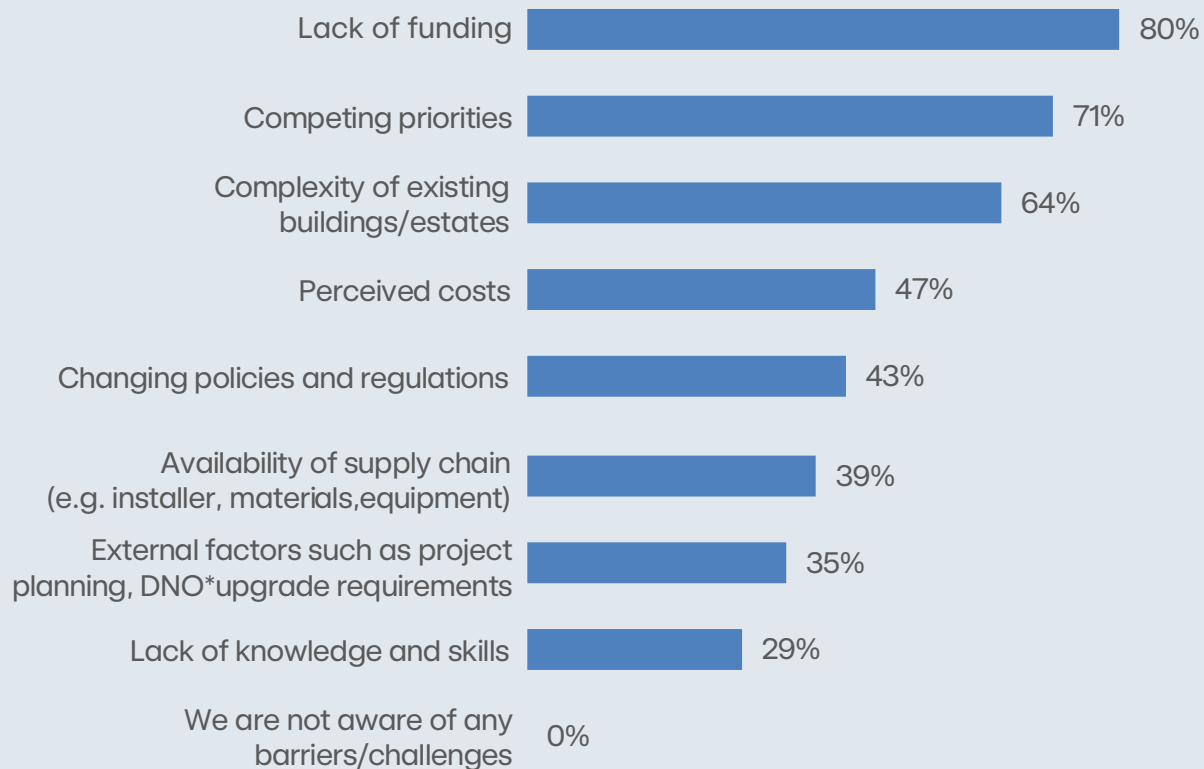
Additionally, the 'availability of supply chain' poses potential risks to social housing providers, while the 'lack of knowledge and skills' is a barrier to transformation in Wales and Northern Ireland. However, while upskilling and the short-term cost of decarbonisation is prohibitive for many, the cost of doing nothing might be far greater – as one respondent points out.

“ *Though the costs of decarbonisation are high, so are the costs of failing to decarbonise. There needs to be a much clearer national debate and dialogue on this, bringing in future cost avoidance as a much stronger metric in decision making.*

Local government respondent, Wales



Key challenges to public sector organisations' ongoing decarbonisation effort



*DNO refers to distribution network operator.

“ *Timelines for funding applications are often ridiculously short. As these are the only feasible routes to fund work – given other competing capital priorities – this means teams dropping other work to meet the deadline. More understanding of existing heavy workload and longer timeframes for these funding pots would be welcomed.* ”

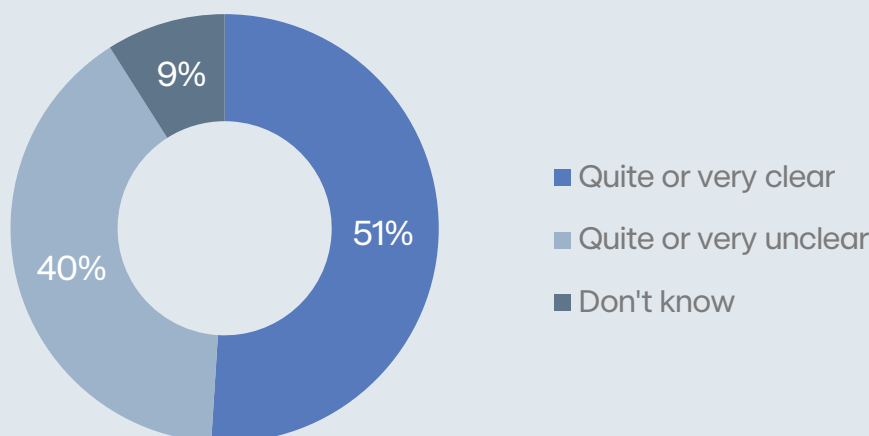
NHS respondent, South West England

Finding the right funding opportunity

The 'Public Sector Decarbonisation Scheme' – alongside sector-specific offerings such as the 'Warm Homes: Social Housing Fund' or skill-specific offerings like the 'Public Sector Low Carbon Skills Fund' – are increasingly important to the public sector decarbonising effort. But with budget and resources a recurrent barrier, how clear are public sector stakeholders on the funding opportunities available to their organisation?

Reassuringly, 51% said they felt confident about overall awareness of decarbonisation funding within their organisation. However, this was offset by the 40% who expressed uncertainty – with regional shortfalls in Wales and Northern Ireland. This suggests that education on and awareness of funding opportunities must be prioritised to progress the decarbonisation agenda.

How clear are public sector stakeholders on the funding opportunities available to their organisation?





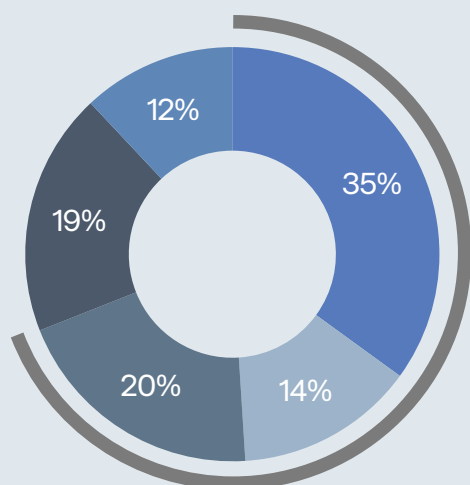
“ There remain challenges around the nature of the bidding process for such funds, with public sector organisations competing against each other to secure funding and those with the most resources to put together good bids at an advantage. This can be off putting for organisations with less resources who may not see the time it takes to develop a bid worthwhile if the chance of success is low.

Local government respondent, London

However, awareness is only the beginning. Of the 56% who said their organisation had applied for decarbonisation funding in the past, 69% encountered challenges during the application process – from funding requirements and timescales to the amount

of funding available. In fact, just 19% felt there were no challenges, which suggests that funding streams need to be standardised and made more accessible to all organisations – regardless of size or available resources.

Challenges encountered during the funding application process



Of the 56% who said their organisation had applied for decarbonisation funding in the past, 69% encountered challenges during the application process

- Yes, the funding was insufficient to complete the required works
- Yes, our project scope did not meet the funding requirements
- Yes, we were unsuccessful with our application
- No, we did not face any challenges
- Don't know

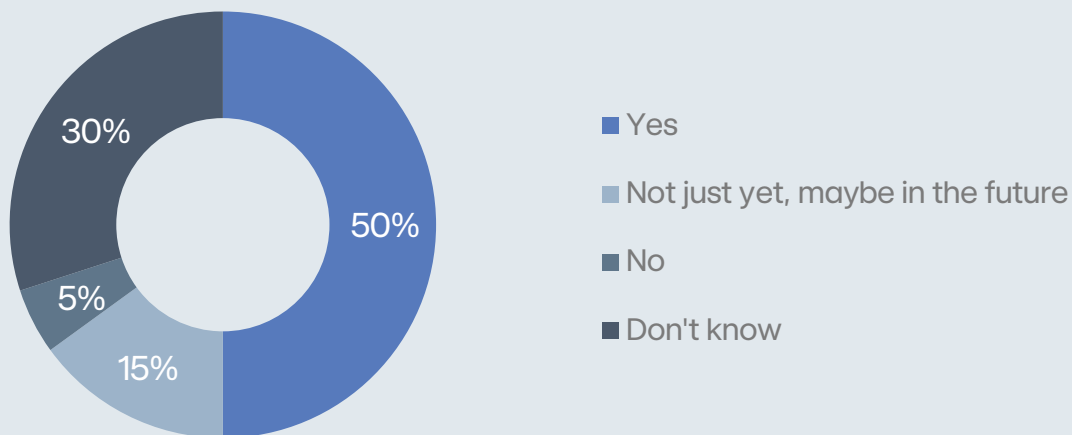
“ *Skills and supply chain have been an issue in delivery. There seems to be significant scope to be much clearer about the scale of funding available globally, and to use more standardised public sector frameworks and work specifications to drive interest and investment in these skills and supply chains more assertively.* ”

Local government respondent, Wales

Against this background, to what extent are organisations actively seeking funding for their future decarbonisation projects? In total, 50% said their organisation would apply for funding – particularly those in the local government and social housing

sectors. However, almost a third (30%) were unsure of their organisation's approach to funding, which indicates that awareness – both internal and external – may need to be addressed to ensure the public sector makes the most of the funding opportunities available.

Are organisations actively seeking funding for their future decarbonisation projects?





Decarbonisation in practice

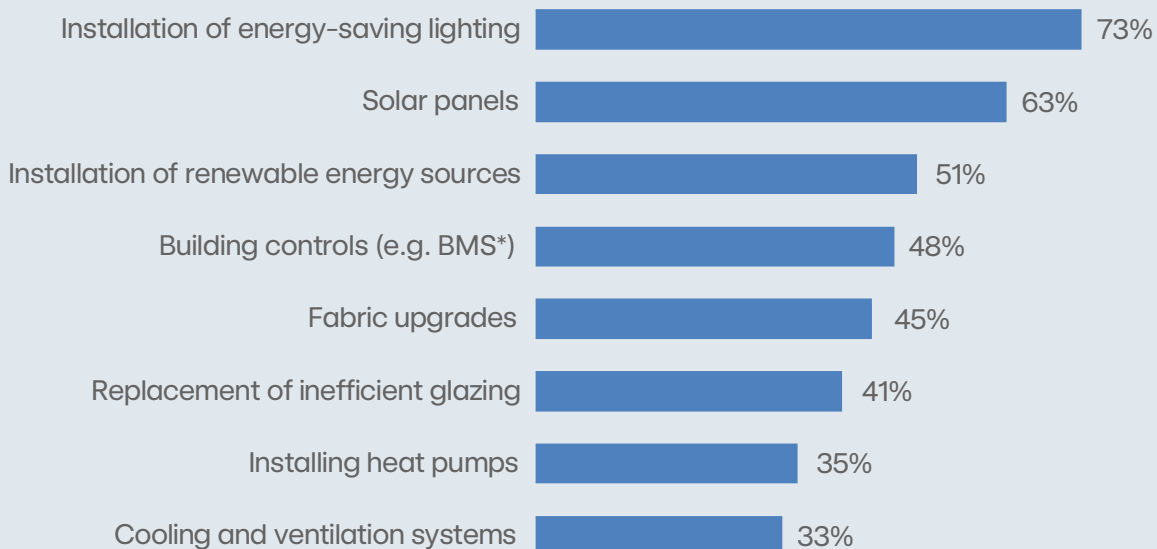
Collectively, the immense public sector estate is said to account for approximately **10% of the UK's emissions from buildings**. Previously, the UK announced its ambition to reduce public sector emissions by 50% by 2032 and 75% by 2037 against a 2017 baseline – but what does this mean in real terms and what practical steps are public sector organisations taking?

According to our participants, a wide range of measures are being rolled out to address emissions and energy consumption across the public sector estate,

including 'energy-saving lighting' (73%), 'solar panels' (63%), the 'installation of renewable energy sources' (51%), the introduction of 'building controls' (48%) and 'fabric upgrades' (45%).

Additionally, the 'replacement of inefficient glazing' (41%), 'installation of heat pumps' (35%) and 'cooling and ventilation systems' (33%) also ranked highly – particularly, in the education, blue light and social housing sectors.

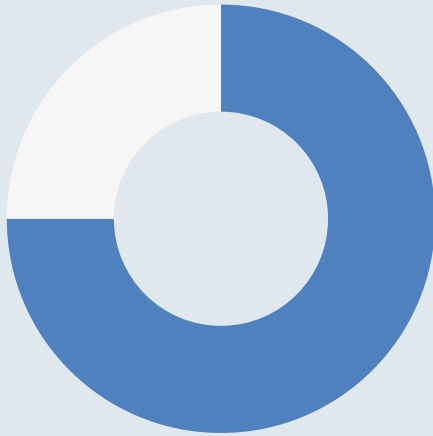
Measures that are being rolled out to address emissions and energy consumption across the public sector estate



*BMS refers to building management system.

This forward momentum is certainly encouraging, but it is clear that price still takes precedence over decarbonisation – at least, where procurement is

concerned. According to our research, three-quarters (75%) of public sector professionals feel that cost outweighs sustainability 'most' or 'all of the time'.



75%

of public sector professionals feel that cost outstrips sustainability 'most' or 'all of the time'

Given the extent of the budgetary, resource and funding challenges organisations now face, this is perhaps unsurprising. But preliminary market engagement has the potential to empower buyers, connecting them with specialist suppliers earlier in the procurement lifecycle to drive value and deliver decarbonisation more efficiently.

However, for the public sector to make good on the UK government's net zero commitments, it's clear that practical issues of cost, budget and competing priorities must first be addressed.



Social value and sustainable procurement

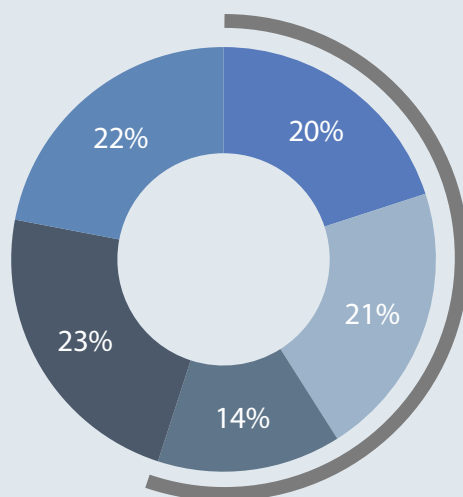
Under the **Procurement Act 2023**, sustainability is a key to delivering meaningful social value. However, almost a quarter of organisations (23%) have yet to track or monitor social value in a consistent or structured way, while 22% were unsure if any such procedures were in place. Without the necessary check and balances, how can organisations be sure they are delivering social value effectively or improve on the way in which social value is delivered?

Despite this, 55% confirmed that their organisation is tracking or monitoring social value – either through software tools (21%), excel spreadsheets (20%) or via traditional paper-based systems (14%). Similarly, over three-quarters (78%) have already begun to factor sustainability into their decision-making when procuring products or services. For 12%, however, sustainability remains an afterthought – due in part to a raft of competing priorities.

For instance, our findings suggest that the potential for 'higher upfront costs' (64%) is preventing organisations from fully committing to sustainable procurement. Additionally, 'limited time and resources' (59%), a 'lack of knowledge about sustainability practices in procurement' (41%) and issues relating to SME adoption of 'sustainable and social value practices and policies' (36%) were all cited as potential barriers.

Ultimately, for public sector organisations – particularly those grappling with resource and budgetary constraints – to fully embed sustainable procurement, they may need to consider third-party support. Collaboration with external stakeholders could be key to alleviating the time and resource burden and sharing the knowledge and experience organisations so desperately need.

Do public sector organisations track or monitor social value?

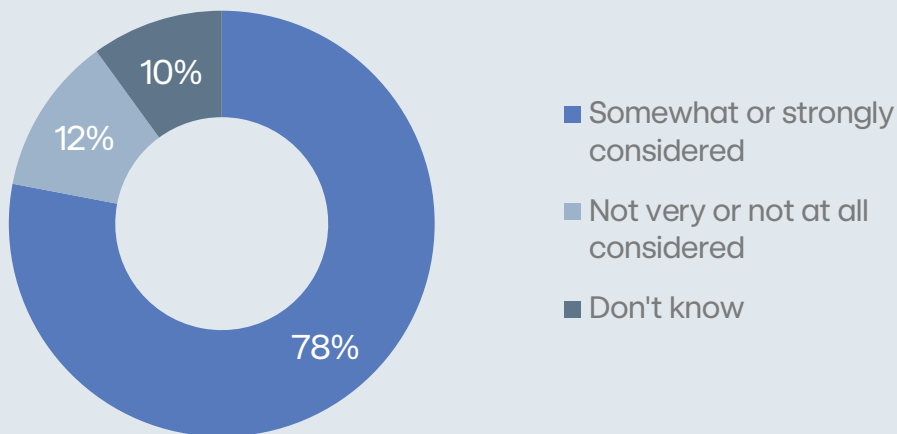


55%

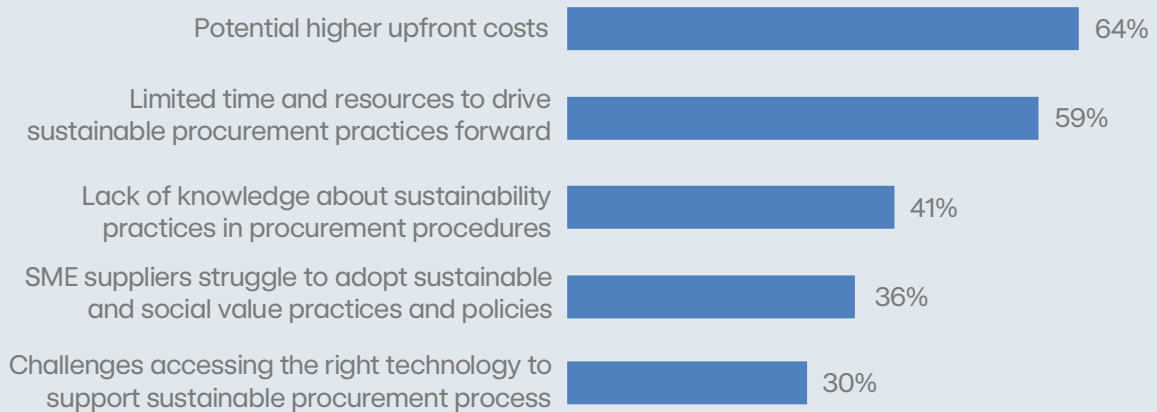
confirmed that their organisation is tracking or monitoring social value

- Yes, we are using excel
- Yes, we are using a software tool
- Yes, we are using paperwork
- No
- Don't know

Do public sector organisations consider sustainability when procuring projects and services?



Key barriers to delivering sustainable procurement





Conclusion

As we stand at a pivotal moment in the UK's journey toward Net Zero, the role of the public sector in leading decarbonisation efforts cannot be overstated. From local authorities and NHS trusts to educational institutions and central government bodies, the responsibility to transform estates into low-carbon, energy-efficient assets is both urgent and profound. At Pagabo, we recognise that turning this ambition into action demands more than policy. It requires robust, flexible, and expertly guided procurement pathways that empower progress at pace.

Throughout this report, we've explored the challenges and opportunities facing the public sector in achieving decarbonisation goals. These challenges range from budget constraints and funding stipulations to the complexities of stakeholder engagement and competing priorities. The challenges are significant; however, they are not insurmountable. By leveraging the right tools, knowledge, and partnerships, the public sector can not only meet its carbon reduction targets but set a benchmark for excellence in sustainable transformation.

This is precisely where the Decarbonisation Framework solutions that we manage come into play. Developed in direct response to market needs and in collaboration with key public sector stakeholders, the frameworks are designed to remove friction from the procurement process while ensuring high-quality, measurable outcomes. Whether organisations are seeking to apply for funding, retrofit existing buildings, integrate renewable energy technologies, or undertake whole estate transformations, our decarbonisation solutions provide compliant access to experienced, preapproved contractors and consultants who understand the unique demands of public sector work.

Our managed frameworks enable faster route-to-market processes, increased project visibility, and more collaborative working environments. Importantly, we also prioritise social value, sustainability and community benefit, ensuring that every pound spent delivers impact beyond carbon reduction, supporting economic regeneration and improving public health outcomes in the process.

We understand that successful decarbonisation is not only about reducing emissions; it's about futureproofing estates for generations to come. Through the frameworks we manage, clients gain access to cutting-edge innovation, data-driven decision-making, and the flexibility needed to evolve alongside changing regulations, technologies, and public expectations.

Looking ahead, Pagabo remains committed to do more than just manage frameworks, we are a strategic partner in the collective mission to build a greener, more resilient public sector. We will continue to invest in research, stakeholder engagement, and the development of procurement solutions that support the journey to Net Zero in a practical, transparent, and impactful way.

In closing, we encourage all public sector organisations to embrace the momentum of this moment. The road to decarbonisation is complex, but with the right support, it is entirely achievable. Through the Decarbonisation Frameworks we manage, Pagabo is proud to offer the tools, partnerships, and confidence necessary to deliver real change. With the option to procure at pace through a direct award, progress can start without delay.

Find out more about our Decarbonisation Solutions: <https://pagabo.co.uk/solutions/decarbonisation/>

Contact us to discuss decarbonisation with our team: info@pagabo.co.uk



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