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Net Zero Survey & interviews: Condensed report

DORSET LOCAL SKILLS IMPROVEMENT PLAN
INSIGHTFUL RESEARCH TEAM

Introduction

Within the UK, the government has set a target for all businesses to reach net zero carbon emissions by 2050. Thus, it is inevitable in the next two decades that businesses will need to acquire new skill sets to transition to net zero. So far, during the sector-specific research, the net zero transition has been investigated in the psychometric survey and qualitative interviews. However, it was felt that greater insight was required to understand employers' perspectives on the transition to net zero. To investigate business preparedness in greater detail, further surveys and interview questions were developed.

Mixed methods survey

To investigate business readiness for the net zero transition a mixed methods survey was run, utilising multiple choice and open text questions. A total of 202 responses were gathered from Dorset businesses. Multiple choice questions were used to allow the statistical comparison between micro and non-micro businesses (see full report for all statistical analysis), and open text questions were used to gather qualitive data, allowing incites to be collected that was not biased by response options.

Multiple Choice questions key findings

The aim of the multiple-choice aspect of the survey was to determine the importance of the transition to net zero for businesses at present, how much progress businesses have made, the challenges faced by businesses, and the potential solutions. Based on prior sector interviews and analysis, we hypothesized that there would be a difference in preparedness between small and larger businesses on the transition, such as that larger businesses would demonstrate greater levels of preparedness across different metrics. This section of the report will outline the findings of the multiple-choice questions and compare the responses between micro companies (0-9 employees) and larger companies (more than 9 employees).

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Based on previous interviews it was hypothesized that larger businesses would demonstrate stronger overall preparedness for the transition to net zero. Results obtained offered partial support for this hypothesis.

Results indicated that larger businesses had made significantly greater strides in the extent to which they had looked at the transition to net zero, had greater motivation for the transition to net zero, and were more financially prepared for the transition to net zero. However, large and small companies reported similar knowledge levels on what was required to meet the net zero transition and viewed the transition to net zero as being of similar importance. Likewise it was revealed that there were no differences between large and small businesses on whether they had previously measured their carbon footprint. However, it must be stressed that more than 65% of businesses indicated that they had either not currently measured their carbon footprint, or that they had little knowledge of how to do this.

Currently, larger businesses indicated that they have looked into net zero at a greater extent, have greater motivation to meet the transition to net zero, and are more financially capable to meet the transition to net zero. These findings offer significant support for our hypothesis, and are replicable based on the information obtained through sector one-to-one interviews.

Open Text Questions

The aim of the open-text questions was to gain a greater level of detail on businesses' capabilities in the present and future to meet the transition to net zero. Overall, 202 Dorset businesses across a multitude of industry sectors were recruited to provide their views on current and future steps in the transition to net zero.

The most prominent challenge held by businesses was in relation to the financial demands of the transition to net zero with many businesses being concerned with the financial output that will need to take place to move forward in their processes. Businesses also indicated clear knowledge gaps on the transition to net-zero, where many businesses are unsure of what it will take to reduce their carbon emissions. Other important challenges were related to transportation issues, where many businesses will need to adapt to electric vehicle use due to being vehicle

dependent in their processes. Furthermore, challenges around energy use and improving energy behaviors were deemed difficult.

Many of the future steps outlined were general, collective steps. Included in this were improved behaviors surrounding energy efficiency and renewable energy use, more eco-friendly travel adaptation, and reductions in general waste. Finally, employers indicated clear areas of change and support that will be required to allow them to meet the transition to net zero. Where many expressed the challenge of the financial demands of the transition to net zero, grants and funding would be greatly desired, Furthermore, employers would be interested in the use of support schemes to have a greater place of guidance that businesses can access to better guide them towards the correct steps to reduce their carbon footprint.

For a the most frequently mentioned interview topics mentioned (codes) see the following link. And for a detailed discussion on the top interview see the extended "Net Zero Survey & interviews: Methodology and results" Report.
https://docs.google.com/spreadsheets/d/1YukXh0NrTza4YiQD-DTOEWqGILqBPD0X/edit#gid=882992588

Findings indicated a wide range of challenges to overcome, most prominently the financial demands and the lack of knowledge held by businesses on how to meet the transition to net zero. Many employers expressed a desire to improve in several aspects of their business through the use of more eco-friendly travel methods, becoming more energy efficient, and improving general waste production. Businesses stated that many of these general, cross-sectoral aspects will be important steps to continue to take.

However, businesses did outline several key areas of support that will be required to help them achieve the transition to net zero. Specifically, government support was the most prominent area. Businesses demonstrated a need for more support schemes to be put in place to offer guidance and help for businesses on the transition to net zero, while grants and funding were deemed as significant areas that would provide great help for businesses, particularly those who stated that the financial demands of the transition to net zero would be particularly difficult.

Net Zero Interview results

Following the completion of the analysis of the net zero surveys, further one-to-one engagements with employers were conducted. The aim of these interviews was to build on the findings gained through the survey to add key detail from the thoughts of employers. Overall, 9 interviews were conducted with Dorset businesses, with researchers being satisfied that saturation had been achieved with little novel interview content being reported after the sixth interview. This section will detail the methodology and findings of these interview engagements.

Net Zero Interview Analysis Executive Summary

One-to-one interviews with employers focused on the transition to net zero resulted in a wide range of clear, overarching themes detailing where businesses currently are in the transition to net zero, how much they know about the transition to net zero, what challenges and concerns they hold, and what future steps and support they will need to meet the transition.

Many businesses are currently in the very foundational stages of the process. Many of the current steps taken are low-cost basic initiatives such as waste and transport reduction. While many businesses indicated a clear motivation to make progress with reducing their carbon footprint, it is clear that most businesses currently lack the knowledge levels required to fully put important practices in place. While in the future different skill needs could be important to allow businesses to meet the transition, the lack of knowledge on the initiative limited businesses on how much they knew about skill needs for the transition.

As was found in the open-text survey, many businesses hold concerns about the financial demands of the transition, and the feasibility of meeting those. Furthermore, where knowledge levels are lacking, businesses felt that the lack of centralized sources to find reliable information on the transition to net zero was a major challenge that they are facing. They feel that a key solution to improving the feasibility of the transition would be the introduction of a centralised government source to provide clear information and roadmaps on what steps will have to be taken.

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Interview Thematic Analysis Results

This section will detail select themes that have emerged from net-zero focused interviews. Overall, the interview findings offered significant support for the survey findings, suggesting wide-ranging replicability of findings for all sectors when it comes to dealing with the transition to net zero.

General Lack of Knowledge

A key finding was the general lack of knowledge within businesses for the transition to net zero. As mentioned above, many businesses have undertaken a lot of very general steps to reduce carbon emissions, but they lack specific knowledge on the further changes they will have to put in place to achieve net zero. Additionally, within many businesses, it is only senior management or specific employees with knowledge of net zero strategies, making the implementation of new policies and a cultural shift more challenging. This aspect feeds into skill needs, where many do not see the issue as a matter of skill needs, but instead, it is the knowledge and awareness aspects of net zero that are currently important and need to be improved.

This finding has shown to be extremely consistent throughout the project with sector interviews, surveys, and net zero focused interviews, highlighting a clear concern when it comes to businesses fully developing plans to meet the transition to net zero.

> Transcript 8 *"We don't really know, we only know we can stop using disposable glasses and use recyclable ones that can be reused and things like that - the obvious things, cutting out paper and stuff. I don't think we really know where to start on it. I think if we could be trained or knew where to go to research that kind of thing, then that would be really useful and I would go and read up on it."*

> Transcript 1 *"I: Do you think people know what they would need to do. P: No that's the problem. They do not know. And I don't even know … unless someone told them this is what you do and this is how you do it, you just have to follow protocol or you just have to*

follow the set out steps like you do in the other sort of aspects of the industry as well. People don't have the time to sort of research it or go and look for it unless sustainability is turned into someone's actual job and responsibility, I personally can't see this working because people are already … everyone is spread too thin on a film set already so you can't expect them to try."

Low Cost, Basic Initiatives

Currently, most businesses are in the early stages of reducing their carbon emissions. The most frequently mentioned initiatives, currently in place, were energy efficiency, remote working, looking at supply networks/chains, travel considerations and promoting recycling and waste reduction. These methods are all low or zero cost and most businesses are yet to make any drastic changes to their structure or processes. Some employees feel these measures are only loosely implemented or encouraged and not upheld.

Transcript 7 *"It does reduce obviously the consumption of electricity, well, everything in the office because it's just not used as much. I probably go in once every two weeks now, whereas before, I would be driving into work every day. So now I've got rid of my car and if I do go in then I cycle in. It has definitely had an impact, the working from home part, and recycling as well - they've done a big push on that. They look at more recyclable food equipment - plates and things to go on the boat"*

Transcript 9 *"And then we have our student population, we are promoting recycling and trying to reduce the amount of paper that we use. So we are promoting sustainability through the use of more technology. We're making sure that all of our equipment, if it's replaced, it's recycled responsibly. So not producing more carbon through obviously just dumping materials and getting recycled."*

Transcript 5 *"But what we were looking at was very much a contribution to our reduction of carbon emissions through energy efficiency. And again, things have been disrupted by the impact of the energy crisis over the past 12 months. It seems to be one thing after another for us, and other companies. I think the starting point and I think other companies will probably be sort of similar was, we were looking at, okay, how can we be*

more energy efficient? Because therefore, by reducing our energy consumption, that is contributing towards reducing the environmental impact of the business."

Carbon Auditing

Businesses' knowledge of carbon auditing is varied but generally low. Only 2/9 interview participants had measured their carbon footprint and 3/9 explicitly stated they didn't know how to go about getting it measured. There is currently very little support in this area and this needs improving.

Transcript 6 *"I: But do you know what it would take to measure your carbon footprint? Would you know how to do that? P: Me myself, I wouldn't. I wouldn't know how to measure that. I have no idea"*

Transcript 8 *"I: So when it comes to you as a business, Have you measured your carbon footprint yet? Do you know? P: No, we've not done anything like that. No, we have to do that if the council said " we need your carbon footprint" but we struggle along just doing the best we can and things anyway, like trying to cut back on things is about the best we can do and have done. I don't think we'd even know where to start looking at how we would measure it or what to really look at… the paper and resources is the obvious one, but I really, really don't know where we'd even start on that."*

Knowledge and Awareness is more important than skills.

A key finding is that the majority of businesses don't currently regard specific skill needs as important for the transition to net zero. Instead, it is the knowledge and awareness of net zero that will be important going forward. Businesses need more people who have clear and specific knowledge of how best to improve their practices to reduce their carbon footprint. As knowledge levels increase and specific plans are implemented, businesses are likely to become more aware of their specific skill needs and deficits.

Transcript 9 *"I: So what kind of skills that you see in your experience tend to be lacking in general? P: I think there's generally a lack of awareness of it. I think there is a real, real lack of people that are gonna get qualified to be able to offer a domestic retrofit. I think*

that there is a general awareness of you that we need to meet to get to Net zero. I think a real lack of our understanding of what that actually entails"

Transcript 5 *"I: So it sounds like you don't view this as an issue of skills, but more an issue of guidance. P: Yes, I think I think once we receive that initial guidance, then we would then be in a position to recognize whether there is any short fall within our existing workforce and whether additional training may be required because at the moment, once we receive that information, we could then identify if there are gaps in our knowledge, how we can address those gaps to make sure that we are then informed and are able to manage operations efficiently moving forward into the future."*

Financial Demands

Many businesses hold concerns about the financial demands of the transition to net zero. It was outlined that initial costs in adopting renewable energy and solar panel use would come with a significant outlay for businesses which would impact day-to-day operations that could be deemed as more important for the success of the business. The financial aspect can be off-putting when it comes to allowing some businesses to fully commit their resources to reduce their carbon footprint. This is evident in the fact that most businesses have only started implementing zero or low-cost strategies.

Transcript 5 *"I think there's a lot that are worried, saying, well are we gonna have to start installing solar panels or are we gonna have to get wind generators to boost our own self energy generation, but it's the initial upfront costs."*

Transcript 7 "*when it comes to making those changes that change the policy, or changes to innovation, you said making them happen, what are some of the things that would get in the way of them happening then? The cost would be one of the main things especially with these electric vessels, they're very expensive. They have batteries and things that would struggle with long distances and the replacement cost of that."*

Lack of a Centralized Source of Structure/Guidance

Many businesses felt that a lack of centralized sources, such as a government support scheme, is limiting their ability to improve practices. Due to this, it was outlined that businesses feel that

they are being left to deal with the transition by themselves and that there is no structure or guidance available on how best to reduce their carbon emissions.

> Transcript 5 *"I: So it sounds like you don't view this as an issue of skills, but more an issue of guidance. P: Yes, I think I think once we receive that initial guidance, then we would then be in a position to recognize whether there is any short fall within our existing workforce"*

> Transcript 1 *"there's no governing entity also to tie everything together like you'd have in an office or a store or anywhere else. It's more various people come together from various walk of life to achieve a certain goal in a certain amount of time… you know"*

Difficult to find reliable information

Some employers outlined that while there can be a lot of information out there on the transition to net zero, they have expressed that it is difficult to know which information can be reliable to follow. Information finding was described as a "minefield", where it can be very easy to follow incorrect advice. The lack of available, reliable information is having an impact on the challenges around the lack of knowledge and awareness of the transition to net zero.

> Transcript 6 *"there is a lot of stuff. You have to really dig a lot of time for real good information, which is making sure that it's the correct information as it is a minefield out there. There's so much you can read but there's a few stuff where you get to the end and you're like, that's not right."*

> Transcript 6 *"because it's quite a mine field trying to find any real funding areas where you can get proper information from. There's a lot of websites out there that go on and say "we can do this, this and this" but when you look into this, actually they want quite a lot of money from you."*

Culture Change

Within many businesses, there has been the realisation of the need for a culture change. It will be important for more employees within the business to get on board with initiatives on

improving behaviours surrounding net zero, and a culture change will be required to improve general perceptions of the change and why it is important.

> Transcript 4 *"But then again, you know, some people think, as an individual, I don't really make a difference. I need a lot, a lot of people to start making a difference."*

> Transcript 9 *"I think there does need to be a big attitude change"*

Individual Ownership

Participants felt that individuals needed to take more ownership of their role in reducing carbon emission. The idea that one person can't have an effect was thought of as harmful and the idea that many individuals collectively can have a big impact was something that participants wanted to push.

> Transcript 4 *"Yeah. Like, what can one person do? But actually if you've got one thousand people or a million people, look at the impact then isn't it? On an individual scale, some people just say, I recycle, I do my bit but you need a bit more than that, don't you?"*

> Transcript 4 *"I guess it's just changing people's perceptions of it all, isn't it? It's in all the papers, it's on the television, you can't get away from it. But I guess it's down to the individuals to actually adopt these ideas and go with it."*

Solutions/ Support Needed

During the one-to-one interviews, businesses outlined very clear needs for support and possible solutions that would improve their abilities to meet the transition. This section will detail the most prominent responses for those needs on what could be done.

Government Support

Employers have suggested that government input will be necessary to achieve the transition to net zero. Currently, businesses have very little government support to aid them in the transition

to net zero, however, they feel that having a centralised source of information, guidance, and investment will significantly improve businesses' capabilities for the transition. Furthermore, this aspect was suggested to be important for encouraging more businesses to place the transition higher in their priorities.

> Transcript 6 *"If you have something more centralised, the government or something that they hand out to someone, another business to deal with and let everyone know who, then you can then go to them if you've got some questions or queries because there's always a lot of questions that you think actually, I'm not sure on that, you could ask the questions"*

> Transcript 9 *"So, you see it as fundamentally starting at regulation, starting at government? Yeah. Yeah, I think we have to, I mean, it's the only way it's brought about change."*

> Transcript 5 *"Whereas, I think it would be more helpful for us if the government was providing this information, which we would see as a far more objective sort of information. And they will have access to a wide array of examples, which will be more relevant to our particular industry."*

Funding

Businesses require more government funding initiatives to start making real progress towards the net zero target. Currently it is not financially viable to take on expensive upfront costs required to implement new technology.

> Transcript 6 *"Obviously they've got ideas, we have ideas and having someone who could say "Well actually if we do this" and they go away and look into it and can say that we can get some funding there, to help your business or any other business that wants to do this because it's quite a mine field trying to find any real funding areas"*

> Transcript 5 *"And also obviously promoting any sort of grants that could be available through the government as well."*

Transcript 4 *"I guess, on a broad scale, I guess grants, government grants would help if they wanted to go ahead with the solar panels on the roof. It's money, government grants and also the local council isn't it? Getting them on board"*

Evidenced-based Guidance

Some employers outlined a need for evidence-based guidance from the government to be available. This aspect would allow employers to see how effective undertaking different practices of reducing their carbon emissions, such as renewable energy usage, could be. Furthermore, evidence-based guidance could be important for alleviating concerns about financial demands. If clear data was provided on the long-term benefits of using solar power financially, it was suggested that more businesses would be likely to commit to adopting solar power and renewable energy use.

Transcript 6 *"(On solar panels) If someone from the government would say actually, this is what we've got figure-wise because obviously they're gonna have all the figures and stuff and research they've done. They can actually say this is what it costs to install your solar panels, but once you install your solar panels, this is what you're gonna get say first year, then actually after the second year, you start using that to power this, it'll save more money and it sort of educates people going all the way through"*

Transcript 6 *"I: it sounds like you want more evidence out there. P: Yeah, I think that's right. Yeah. You hit the nail on the head, I think. The more you get results from government on that sort of thing or if the government just outsource it to someone that the government will make everyone aware that this company is doing it, then everyone's got a central resource then, to go to get the correct information"*

Transcript 5 *"And I think that would really resonate with businesses such as our own. And we can sort of say, well, this is how this company has approached it, and these are the results that they've achieved at this initial financial outlay"*

Net Zero Roadmap

Additionally, where there is a lack of knowledge and clear guidance on the transition to net zero, many employers have suggested that they would benefit from a clear roadmap or exemplar net zero business plan that they would be able to follow to reduce their emissions more effectively. At present, there is no clear map or information to demonstrate to businesses how they can become net zero.

> Transcript 6 *"I just think more information and educational materials and support that can be delivered to businesses to educate and so just give us kind of a road map of the sort of key areas that we need to be focusing on."*

> Transcript 5 *"I: What it sounds like what you're saying is that you need first to measure your carbon footprint, know how to do that and the tools then get the advice and support, like what the steps, how is this best most effectively reduced until you have a road map and a plan. It sounds like you're doing all you can and you want to be socially responsible but to be frank, it sounds like there's not a lot of direction on this. P: No. And I think it would be helpful as well."*

Training and Education

Training and education will be vital. There is a need to provide businesses with more knowledge and awareness on different methods of reducing carbon emissions, and to clearly align business ideas on what they need to put in place in the future to drive towards the transition to net zero.

> Transcript 5 *"I speak to friends that are in other industries as well and it's something that occasionally crops up in conversation. I think there needs to be more education from the government to provide support to businesses, mainly small and medium sized businesses that have really been quite frankly, battered over the past couple of years having to deal with COVID and while the government, and rightly so is trying to push the net zero agenda, I just think more information and educational materials and support that can be delivered to businesses to educate"*

Transcript 9 *"So what you're saying is you would need more education about where actually carbon is coming from. The skills to rethink the origin. Yeah, yeah"*

Transcript 6 *"So I'll tell you what I do actually think would be a very good idea if the actual government got on board with it and provided training"*

Collaboration/Networking Opportunities

Aspects surrounding collaboration and networking with other businesses were found to be fairly important areas for businesses. This can be related to the need for improved relationships with supply chains to purchase more sustainable products and materials, but also increased collaboration with other similar businesses to share and improve net zero practices.

Transcript 9 *"That's maybe that's another thing that the business could benefit from when it comes to becoming more green and more environmentally friendly is more networking opportunities. Definitely a good idea."*

Transcript 5 "And also one of those other aspects was also the supply chain. And when I referenced it primarily, it was more focused on the actual materials that we were receiving and also the packaging being used by our suppliers. We could compare different suppliers and provided that the price point was very comparable and the quality of the products was comparable, then we would be quite happy to focus more on sustainable businesses that help our own environmental credentials and help us with our journey to being more net zero."

Conclusion

Overall, it is clear that businesses are in the foundational stages of the transition to net zero. Many of the steps that have currently been taken are entry-level, basic initiatives that are relevant to most people when it comes to improving sustainable behaviour.

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One clear finding was the lack of knowledge held overall by businesses on what they need to do to meet the transition to net zero. Businesses are aware of basic initiatives such as energy efficiency and waste reduction, however, they lack knowledge on the more in-depth specifics and next steps, and this lack of knowledge severely limits how much progress can be made. Skill needs are currently not deemed important by businesses for the transition to net zero when compared to the need for more awareness and knowledge.

To solve this, businesses outlined a desire for centralized sources of reliable information that can provide clear evidence-based guidance and step-by-step roadmaps to show businesses how to effectively meet the transition to net zero. Interviewees stressed that government support will be important within this, where from the perspectives of the employers, very little support has been provided thus far.