

What needs to change?

1. Tax-relief or targeted incentives for SMEs investing in decarbonisation, from equipment to retrofits to process changes, so that tax policy becomes an enabler, not a hurdle.
2. Stabilised, predictable tax environment: SMEs need certainty, not surprise hikes, if they are to plan and fund multi-year investments.
3. Direct support and financing mechanisms tailored for SMEs to access capital for green investment, especially for firms already managing squeezed margins.
4. Integrated policy framing: decarbonisation support must be paired with SME survival strategies, not treated separately. Growth and green must be aligned, not pitted against one another.
5. Recognition of SMEs' role in net-zero delivery: policy must reflect that the vast majority of UK businesses are SMEs - they cannot be an afterthought in decarbonisation strategy.

A final note of warning

UK SMEs are the backbone of employment, regional economies, and the local delivery of national net zero ambitions. To penalise them now with higher taxes and expect them to accelerate decarbonisation is a strategic contradiction. We need incentives that actively enables SMEs to play their vital role in the transition to net zero.

There have been some excellent schemes across the country that provided match-funded grants to local business, but sadly these are few and far between, Government funding has been too slow and ponderous in this regard, schemes designed to support SMEs decarbonise have failed to rematerialise.

If the Government truly believes in net zero growth, then it must treat SME decarbonisation not as a nice-to-have, but as a front-line investment priority. Otherwise, we risk watching the wheels of local green growth come off and local net zero targets stall.

An international award winning, non-profit, sustainability consultancy, which was established in 2008 to instigate long-term, sustainable change for our planet...locally. Through the launch of its Creating Sustainable Cities initiative in 2018, Ibex Earth has worked with partners from the public, private, third and academic sectors to secure in excess of £56 million to deliver 'sustainable city' projects. It is this work that has led to the realisation that if net zero and climate targets are to be met, then we must build the capabilities, skills and resources across local authorities to access and help mobilise private capital.