

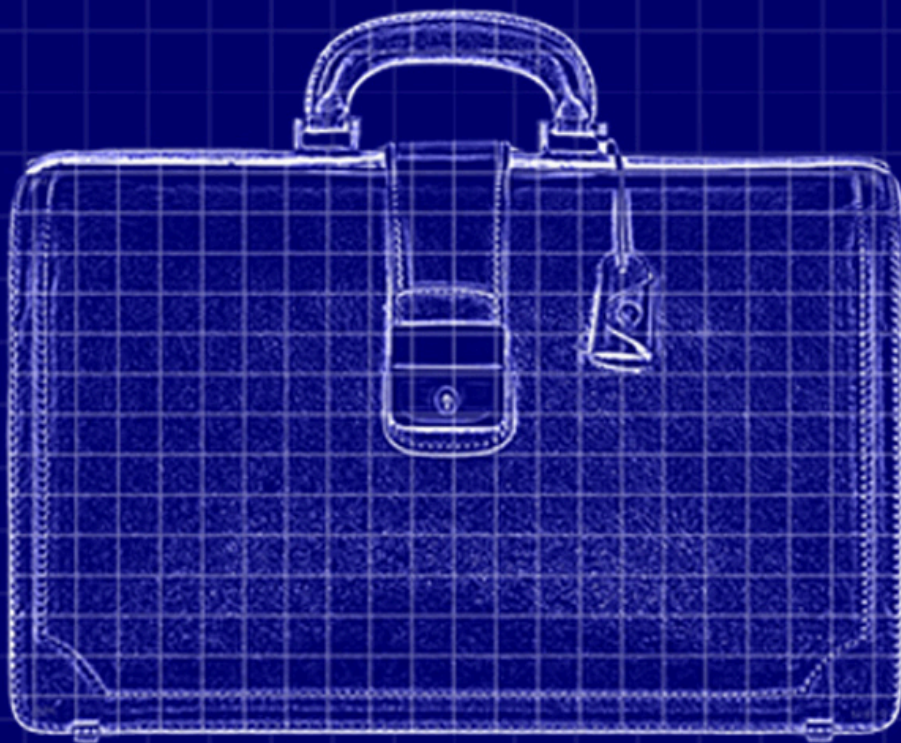
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# The Blueprint

## PESTLE PROJECT

DECEMBER 2024 - JULY 2025



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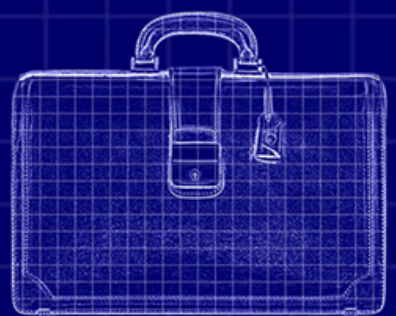
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# The Blueprint

## ENVIROMENTAL





# Brewing Conflict: AI Growth vs. Climate Pledges in Lincolnshire

*Abdifatah Mahamed*

## Introduction

The proposed construction of a new AI data centre in Elsham, Lincolnshire, has sparked debate. It demonstrates a tension between the demand for artificial intelligence computing power and the UK government's commitment to ambitious climate goals. With its considerable projected carbon footprint, this large-scale infrastructure project raises questions about the government's credibility in meeting emission reduction targets and has sparked outrage among environmentalists.

## Summary of Key Developments

The planned Elsham data centre is expected to emit greenhouse gas emissions equivalent to five Birmingham airports per year, posing a direct challenge to the current government's pledge of an 81% reduction by 2035. This commitment, however, appears to contradict the Labour government's stated goal of increasing AI computing power twentyfold. Friends of the Earth, an environmental advocacy group known for successful legal challenges to previous government climate plans, has expressed strong opposition and threatened High Court action, raising concerns about the government's public image and adherence to environmental obligations.

## Analysis of Key Developments

### Geographical Reach

The Elsham data centre's environmental impact will affect Lincolnshire residents through increased water stress, a primary concern given the region's agricultural importance. More broadly, significant greenhouse gas emissions will increase the UK's overall carbon footprint, limiting its ability to meet climate targets.





## Strengths and Weaknesses with Examples

The Elsham data centre's primary strength is its ability to meet the growing demand for AI computing power, a key government goal. However, this has a significant environmental cost, with annual CO2 emissions expected to be 857,254 tonnes. A proposed mitigation strategy involves constructing glasshouses nearby, utilising the data centre's excess heat to produce over 10 tonnes of tomatoes daily. While this initiative may provide a localised agricultural benefit to Lincolnshire, which accounts for 20% of England's fresh vegetables, it does not fully offset the massive carbon emissions.

## Have the Issues been Remedied?

The inherent contradiction between the Labour government's promise to cut emissions by 81% by 2035 and its goal of increasing AI computing power by 20 times remains unresolved. Friends of the Earth has identified this inconsistency and is actively considering legal action, indicating that the root cause has not been addressed. The public consultation for the Elsham data centre ran until June 26 2025, but the outcome and any subsequent changes to the plan based on public feedback remain to be seen. Friends of the Earth and others filed legal challenges in March 2023, and the High Court ruled that the former Conservative government's carbon budget delivery plan was illegal, emphasising the judiciary's role in holding the government accountable for its climate commitments. The court found that the Secretary of State acted irrationally, incorrectly understood the facts, and violated their duty to promote sustainable development. This precedent suggests that the current government's approach may be subject to similar legal scrutiny.

## Examples of Similar Instances from Other Jurisdictions

The conflict between data centre operations and local resources is not limited to the UK.



In February 2023, The Dalles, a city in Oregon, sued Google to keep its water usage private. This case exemplifies a larger global issue in which the significant resource demands of data centres, particularly water, can lead to disputes with local communities and a lack of transparency from corporations, which frequently use "trade secrets" to withhold information.

### Legislative Reach

The Environment Act 2021 broadens its legislative reach to cover the entire United Kingdom. This Act creates a framework for environmental protection, including legally binding goals for ecological improvement.

### Retained Law: What Are the Implications?

The Environment Act 2021 legally obliges the government to deliver on its climate goals. Failure to comply with these obligations can result in significant consequences, including judicial review and the imposition of civil penalties, such as fines. This retained law provides a robust legal mechanism for environmental groups and concerned citizens to challenge government decisions that appear to contravene its climate commitments. The ongoing threat of High Court action by Friends of the Earth against the Elsham data centre proposal directly leverages these legal obligations, potentially forcing the government to re-evaluate its strategy.



## Conclusion: Retrospective Summary and What Might Happen in Future

The proposed Elsham data centre exemplifies a critical dilemma: the accelerating demand for AI infrastructure clashing with pressing climate objectives. Even though the public consultation period has recently ended, the fate of this particular data centre remains uncertain. However, it is part of a larger trend, with hundreds of data centres adding significantly to greenhouse gas emissions.

The government must reconcile its ambitious climate targets, such as an 81% reduction in emissions by 2035, with its commitment to significantly increase AI computing power. The legal precedent established by Friends of the Earth's successful challenges to the Environment Act 2021 suggests that the Labour government will face continued scrutiny and potential legal action if its policies are perceived to undermine its climate obligations. This ongoing tension between technological advancement and environmental responsibility will shape much of the UK's policy landscape in the coming years, potentially leading to innovative, greener AI solutions or additional legal battles and reputational damage for the government.



# Great British Energy and Environmental Policy: The Government's Green Energy Ambition Project

*Andrei Dohotaru*

## Introduction

The Great British Energy Act 2025, which received Royal Assent in May this year, formally established Great British Energy. GB Energy is an independent, publicly owned company with the aim of supporting the creation of clean energy supply chains in the UK, facilitating local community projects focused on harnessing green energy, and funding projects with a particular focus on offshore wind and improving long-term energy storage.

## Summary of Key Developments

GB Energy was initially allocated £8.3 billion by the Labour government, £2.5 billion of which was later redistributed to fund the development and funding of small modular nuclear reactors. The funds were allocated to the corporate entity as outlined in Labour's 2024 manifesto.

Rolls-Royce is the company behind the small modular reactor technology, which received government backing in May this year. In the words of GB Energy - Nuclear chair Simon Bowen, the new technology is a "huge step forward" for the industry.

A further £700 million was added in June this year to help build manufacturing facilities such as electric cables and floating offshore platforms, which will help to boost Britain's offshore wind supply chains.

By June, a further £1.7 billion of public and private funding has been added to the project, which will help facilitate the development of smaller industrial towns and communities located near the sites of these projects.





## Analysis of Key Developments

### Cutting Bills for Schools and Hospitals

GB Energy's first major project began in March 2025. It aimed to install solar panels on roughly 200 schools and 200 NHS sites. This would result in a £400 million reduction in energy bills over 30 years, with the money saved being reinvested in the education and healthcare sectors. This move could be crucial in alleviating the problems faced by the NHS, such as excessive waiting times. By using the funds to build new healthcare infrastructure, the project's money will facilitate the country's development in key sectors and help work towards its clean energy targets.

### Accelerating Offshore Wind Projects

The publicly owned enterprise has received funds from the Crown Estate to accelerate the creation of offshore wind farms. A further 20 million homes could be powered by wind, which could help reduce taxpayers' anticipated high energy bills for this winter. The project is also focused on developing more efficient methods for storing energy generated from wind turbines to help reduce energy loss. This will boost manufacturing innovation, attracting more potential stakeholders to contribute to the project.

### Ethical Supply Chains

Before receiving Royal Assent, the Act, which formally created GB Energy, was amended to include provisions to make sure that no slavery or human trafficking is taking place in its supply chains. This aligns with the legislative ethos of the Modern Slavery Act. In practice, GB Energy has a positive duty to prevent modern slavery and can block suppliers who are associated with forced labour practices. However, the provisions only provide a narrow scope for enforcement, given that most decisions will be made by a senior leader within the company's ranks. This may be problematic going forward in terms of obtaining second opinions about the ethical credentials of a potential supplier.





## **Conclusion: Retrospective and Future Outlook**

GB Energy has ambitious plans to drive Britain's energy transition forward, facilitating job creation, funding infrastructure projects, and shaping how we think about ethical supply chains. Although still in its early stages, the publicly owned enterprise is poised to become a significant player in helping the country achieve its net-zero ambitions.



# Labour's North Sea Oil and Gas Policy Shift

*Abdifatah Mahamed*

## Introduction

Labour came into power in 2024, promising to help Britain become a “clean energy superpower”, including a pledge to stop issuing new North Sea oil and gas licences. Under this promise, the party said it would not revoke any existing permits granted by the previous government. This meant that already-licensed fields such as Rosebank, Jackdaw and Cambo could, in theory, still go ahead under Labour's rules. Polling suggests that most Britons back net-zero targets (about 61% support the 2050 goal), so Labour must balance its climate commitments against other pressures. In mid-2025, media reports began to note a possible shift: advisers quietly informed the industry that limited drilling might be allowed, on pragmatic grounds.

## Narrow Exceptions to the Licence Ban

Labour's manifesto wording technically leaves room for carve-outs. In practice, government sources have suggested the following exceptions could apply:

- Existing licences: Labour will not scrap any licences already granted. Fields licensed under the previous government (Rosebank, Jackdaw, Cambo, etc.) could receive final approvals without breaking the pledge.
- In-fill drilling: Companies may drill additional wells in areas they already hold. “In-fill” projects inside an existing license block are viewed as more acceptable than wholly new sites.
- Pipeline adjacency: New extraction would be limited to projects tied into existing pipelines (avoiding greenfield exploration). One industry source says advisers tell investors that projects could proceed “provided the projects are close to existing pipeline infrastructure and do not extend into ‘greenfield’ areas.”



- Limited extra output: Expanding production in a licensed field might be allowed. A Treasury source indicated that the commitment could be interpreted loosely: if an area is already licensed, it might not be considered “new”, potentially allowing some development beyond the original plan.

These carve-outs mean that significant North Sea projects might still move forward despite the ban on new licenses. For example, final investment decisions on Rosebank or Jackdaw could be framed not as issuing new licences but as continuing already-approved projects. The government seems intent on holding to the letter of its pledge while finding flexible ways to interpret it – a manoeuvre “within the Treasury [to] interpret the manifesto commitment loosely”.

### **Economic and Political Pressures**

The Aberdeen harbour, shown above, underscores the region’s dependence on oil and gas. The North Sea sector is a significant economic engine for the UK, generating approximately £25 billion per year in value and supporting around 200,000 jobs. Those jobs and taxes are hard to ignore. Many in the Treasury worry that sharply curtailing domestic production will increase imports of oil and, especially, liquefied natural gas (LNG) from abroad, which often has a higher carbon footprint. One industry contact told The Guardian that officials want projects to proceed “to protect the more than 200,000 jobs ... and the billions in forecast tax revenues the industry generates.”

In short, economic pragmatism is a key factor. Union leaders and North Sea communities are urging Labour to rethink the ban. As Unite’s General Secretary Sharon Graham warned, “letting go of one rope before we have hold of another by ending oil and gas licences is unacceptable. It threatens both our national security and jobs.”





GMB's energy lead echoed this, calling current policy "offshoring responsibility, importing virtue, and undercutting a transition for energy workers in the North Sea." Figures from the trade group Offshore Energies UK underscore the stakes: the £25 billion North Sea contribution is more than five times that of the UK steel sector and twice that of the automotive sector.

Under these pressures, senior ministers appear to be signalling a measured shift. Reports suggest that advisers from the Treasury and No. 10 have informed the industry that some new licences may be permitted in practice. An anonymous "energy investor" said: "The government is moving towards the idea of allowing new licences." In effect, the Labour government appears to be threading a needle – reassuring voters and industry in Scotland and the North East, while maintaining its commitment to climate targets.

### **Stakeholder Perspectives**

Labour's policy change sits at the intersection of conflicting interests. On one side, workers and local politicians emphasise jobs and security; on the other, environmental advocates stress climate targets.

Unions and oil-industry workers are watching closely. Unite and GMB have publicly urged the government to "re-appraise" its energy policy, arguing that the phase-out of North Sea jobs is happening too quickly. Unite's Sharon Graham put it starkly: *"Oil and gas workers cannot be the coal miners of our generation."* She and others demand that the renewable transition be accompanied by support and investment so workers aren't left behind. Some workers have already shifted their votes: one North Sea rig worker told reporters the government's stance feels like "a strangulation of an industry and of the north-east Scottish economy," and that if Labour won't defend jobs, voters will turn elsewhere.



By contrast, climate groups have warned against any watering down of the oil ban. They argue that continuing to develop UK fossil projects would violate the spirit of Labour's net-zero laws. The government's climate advisers (the CCC) have stressed tight controls on new production, noting the case for a blanket ban is "not clear cut" because the UK will remain a net importer of fossil fuels. But activists counter that any new North Sea drilling simply adds to global emissions.

The Guardian cites Uplift's Tessa Khan warning that projects like Rosebank "cannot proceed without the full extent of the damage it will do to our climate being taken into account." Surveys show that a large majority of Brits support net-zero (about 61%), so Labour risks criticism if it appears to abandon its environmental commitments.

For now, green groups are also pursuing legal challenges (based on a recent Supreme Court ruling that "scope 3" emissions must be considered) to block approvals of Jackdaw and Rosebank on climate grounds.

Thus, Labour faces a tightrope: many union and regional interests demand more drilling to save jobs, while climate-oriented voters demand compliance with emission targets. This tug-of-war has led some ministers to talk publicly of "being pragmatic", framing oil and gas as part of the mix for years to come, even as renewables expand. As one opponent quipped, the choice is stark: "Do we shut down our oil and gas and lose 200,000 jobs – or rely on foreign regimes and import fuel with much higher carbon footprints?". The argument made by a former Conservative energy minister in 2023 sums up the dilemma Labour is now facing.

## **Regulatory and Legal Developments**

Behind the scenes, the government's strategy is being thrashed out. An official industry consultation closed in April 2025, and Labour has signalled it will publish its new North Sea plan in the autumn. Insiders expect the outcome to rule out any routine new licensing rounds but allow some previously planned projects to advance. In practice, this means ministers could formally refuse to launch new fields but simultaneously give the final go-ahead to those that had already consented to or nearly so.



In practice, this means ministers could formally refuse to launch new fields but simultaneously give the final go-ahead to those that had already consented to or nearly so.

Energy Secretary Ed Miliband must soon decide on specific cases. New environmental guidelines require firms to resubmit assessments for Jackdaw and Rosebank, and Miliband is expected to rule on them by autumn. He has publicly balanced both goals: insisting the UK will meet its legally binding climate targets, yet acknowledging that oil and gas “will play a role in the country’s economy for many years”. In short, Labour appears to be moving toward a middle ground: greenlighting certain North Sea developments (especially those already in motion) while maintaining a hard line on entirely new frontier projects.

## **Conclusion**

Labour’s evolving stance on the North Sea reflects pragmatism amid competing pressures. On one hand, the party remains committed to net-zero goals and has refrained from formally rescinding existing licences. On the other hand, it signals that economic and security interests may justify limited drilling, which is a move “to be pragmatic” about energy needs. This careful adjustment could be seen as a partial U-turn or the fine print of policy implementation. Labour seeks to balance its manifesto climate commitments against warnings of job losses, energy shortages and voter backlash. The Autumn’s announcements will show how far this middle ground extends – and how the government intends to square its green ambitions with the realities of the North Sea.





# Pollution in UK Waters: An Analysis of the Problems Surfacing in 2025

*Andrei Dohotaru*

## Introduction

Since 2024, the number of major pollution incidents in England has increased by at least 60%, with private water companies being the main culprits. The public is beginning to lose trust in the water sector due to its unjustified water pollution in England's natural water basins and rivers.

## Summary of Key Developments

The Environment Agency (“EA”) published new data which showcases an increase in pollution across England, with Thames Water, a company navigating deep financial troubles, being responsible for almost half of all incidents. In May this year, the distressed water company was fined £123 million following major sewage leaks. The EA currently has 393 investigations underway concerning illegal water pollution and environmental damage.

## Analysis of Key Developments

### Consumer Protection Issues

The water pollution crisis is creating an unfavourable climate for the average taxpayer and consumer of the services provided by water companies such as Thames Water. Sewage spills into bodies of water across the country pose direct health risks, particularly to users of water basins where swimming and other recreational activities are permitted. Consumers are also powerless when it comes to switching to a different water provider, as the sector is notorious for its lack of competition, resulting in limited options for consumers. Coupled with bill increases for large numbers of English households, consumers are experiencing anger and discontent, as pollution levels continue to rise and so do their water bills.



### Wildlife Conservation

Chronic levels of water pollution can cause irreversible harm to ecosystems centred around algae, fish, and invertebrates. This could destroy natural habitats for species which are protected under the Wildlife and Countryside Act 1981. In addition, one-fifth of the serious incidents recorded this year by the EA involved pollution of Sites of Special Scientific Interest, which could contribute to stifling research activity across England's underwater ecosystems. This will have far-reaching consequences for the activities of institutions such as the National Oceanography Centre, which oversee sustainable protection and research into England's marine ecosystems.

### Regulatory Oversight

The Independent Water Commission has recently published a report reviewing the efficiency and environmental impact of the water sector in England and Wales. In particular, it noted that public trust in the regulatory framework governing the water sector has been “significantly undermined”. The Commission also believes that there should be a greater emphasis on supervising individual water and sewage companies because Ofwat's current approach is too holistic. While this move would likely be welcomed by many consumers and stakeholders, particularly individuals and organisations campaigning for an overhaul of the oversight system, consistent benchmarks should be established that align with the ‘duty to supervise’ as seen across the regulatory frameworks of other sectors, such as financial services. This way, the water sector would be subject to stricter controls against water pollution, benefiting consumers and the broader population.

### **Conclusion: Retrospective and Future Outlook**

Thames Water is just one of the culprits of the ongoing water pollution crisis facing England, which has continued into 2025. Consumers, shareholders, and environmental activists are concerned that the current framework for monitoring the water sector is inefficient in preventing further pollution incidents and are calling for an overhaul of the system. Until more concrete measures are taken, many of England's water ecosystems continue to be subject to irreversible damage.

# The Blueprint

## END OF GUIDE

