The Local Net Zero Accelerator programme

What we learned about getting local net zero projects ready for investment.

Sept 2026

Greater South East Net Zero Hub

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The Local Net Zero Accelerator tested whether deliberately bundling projects for financing or delivery could attract private investment into local places. The findings are most relevant to strategic and Combined Authorities managing portfolios of projects across a place. Individual Local Authorities, Net Zero Hubs and other delivery bodies may also find the practical lessons useful, especially if they are developing projects, sharing pipelines or buying in specialist support.

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1. Why this, why now

An introduction to the Local Net Zero Accelerator programme and what it was trying to solve.

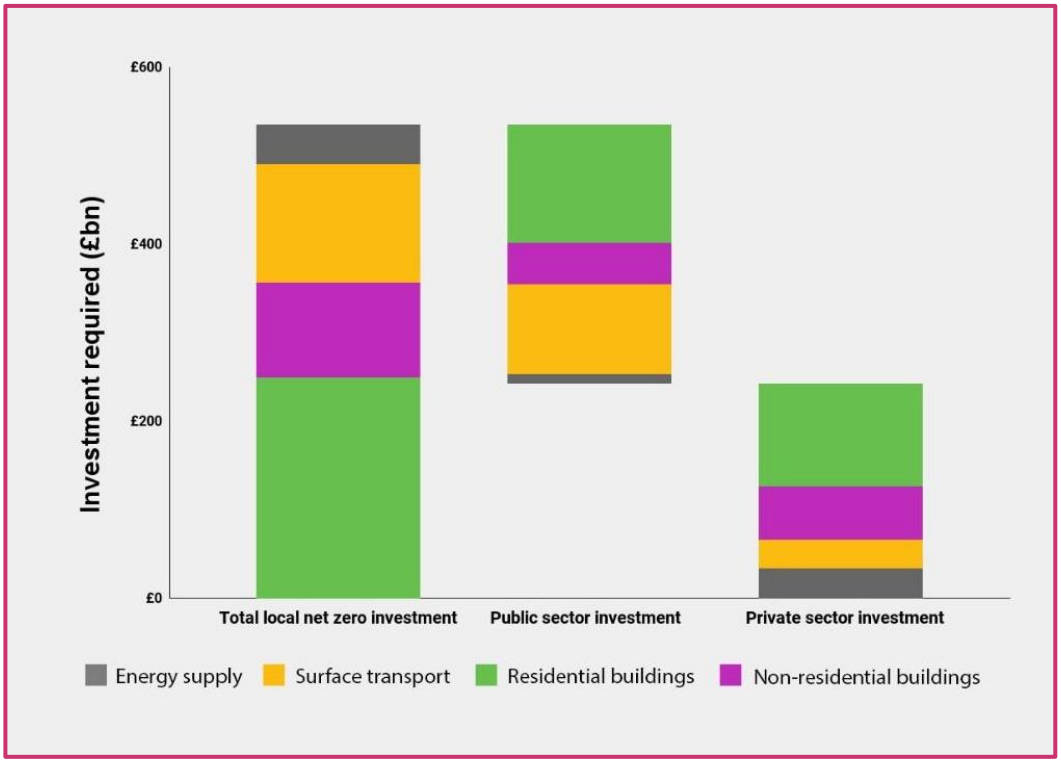
Warmer, healthier homes. Energy costs less exposed to price shocks. Greater energy security. Cleaner air. Skills and jobs in retrofit and installation. Less congestion and safer streets for walking and cycling.

This is what net zero can deliver locally, and it is why Authorities across the country are working to make it happen.

Getting there means building things. Heat networks. Retrofit programmes. Renewable generation. Charging points. None of it happens on one-off funding. These are long programmes that need sustained finance.

The opportunity

Around £500 billion of investment is needed in local energy, buildings and transport by 2050. That is roughly £20 billion a year, and nearly half of it is expected to come from private sources rather than public ones.



Source: Innovate UK, Local Net Zero Projects market analysis, December 2023.

The government's Clean Power 2030 Action Plan estimates that building a clean electricity system will need around £40 billion of investment a year on average between 2025 and

2030, much of it private. Public money is being mobilised at scale alongside it. The National Wealth Fund has £27.8 billion of capital. Its 2026 strategic plan aims to drive more than £100 billion of finance into the UK economy by 2030/31, including the private investment it expects to attract, and place-based investment is one of its stated aims.

But much of the national public money available is lending and investment rather than grant, and the grant schemes that do exist open and close. Unlike grant funding, private finance is not allocated to places. Authorities have to build proposals strong enough to attract it.

The investment challenge

Private investors generally need projects to be well developed, with the evidence in place, before they decide to invest. Many investors prefer portfolios of projects to single schemes, because a group of projects can offer scale, spread risk and be easier to compare. Some will still finance a single large asset.

Many investors look to commit tens of millions at a time, though this varies between funds, infrastructure managers, banks and direct institutional investors, and even the National Wealth Fund's minimum loan to a Local Authority is £5 million. Most individual council schemes do not reach that floor.

What the Local Net Zero Accelerator set out to do

A single project is often too small, too uncertain, or too uneven in its returns for an investor to take seriously. But a group of projects across a place might be large enough, and varied enough, that stronger schemes could carry weaker ones and the whole might become something worth investing in.

That was the idea. Between January 2024 and September 2026, the Department for Energy Security and Net Zero (DESNZ) invested £19 million in the Local Net Zero Accelerator (LNZA) to find out whether it worked, and what it would take to make it work.

Two questions sat underneath. Is there one repeatable model any Authority could use, or do different places need different ones? And what are Combined Authorities best placed to do that individual Local Authorities cannot?

2. What we hoped to learn

The ten questions the programme started with.

The programme started with ten questions, written before the pilots began. They shaped the issues each place explored and the evidence gathered. They covered four broad areas:

Governance and delivery

Q1. How do Combined Authorities define governance structures for delivery?

Q2. How do Combined Authorities respond to the requirements of investable structures and models across the programme lifecycle? That is, what investors and lenders need to see at each stage, from early idea to finished scheme.

Q8. How do Combined Authorities deliver projects at scale with minimum disruption?

Finance and portfolios

Q3. How do Combined Authorities access development finance? Development finance is the money that pays for the work needed to get a project ready, before anything is built.

Q4. How do Combined Authorities consider innovative options for finance and investment?

Q6. How do Combined Authorities manage risk and capital cost using mixed portfolios?

Communities and impact

Q7. How do Combined Authorities engage communities?

Q9. How do Combined Authorities demonstrate and evidence impact over the lifetime of the portfolio?

Capability and investors

Q5. How do Combined Authorities develop financial and investment literacy?

Q10. How do Combined Authorities identify and engage with suitable investor types?

These are written as Combined Authority questions, because that is who the pilots were. But every one of them is faced by any Authority trying to finance and deliver net zero projects, whatever its size or powers.

Answering these questions took two years of practical work. Across the four pilots, that included feasibility studies and techno-economic modelling, reviewing and mapping what each Authority owned, option appraisals, designing governance and delivery models, procurement exercises, designing investment vehicles and funds, building data platforms, engaging communities, testing propositions with the market, and in some places delivering projects on the ground.

The findings in this brochure came out of that work. They are what the pilots noticed while doing it.

The findings are organised a little differently, around the six areas of work covered in *6. What the pilots learned across six areas.* The questions do not map evenly onto them, and one area was not asked about at all.

That area was procurement. It came up in every pilot, not as a way of appointing builders, but as the way Authorities bought in the advice and expertise they needed to get projects ready."

And not every question was answered. Delivering at scale in particular was not something any pilot reached within the programme. What the pilots did and did not settle is set out later in this brochure.

3. Who took part

The four pilots and what each was asked to do.

Between January 2024 and September 2026, LNZA tested three place-based investment approaches and one support-service approach.

Greater Manchester Combined Authority and West Midlands Combined Authority ran the two 'accelerator' pilots. Both were working towards portfolios of projects rather than single schemes, but they came at it from opposite ends.

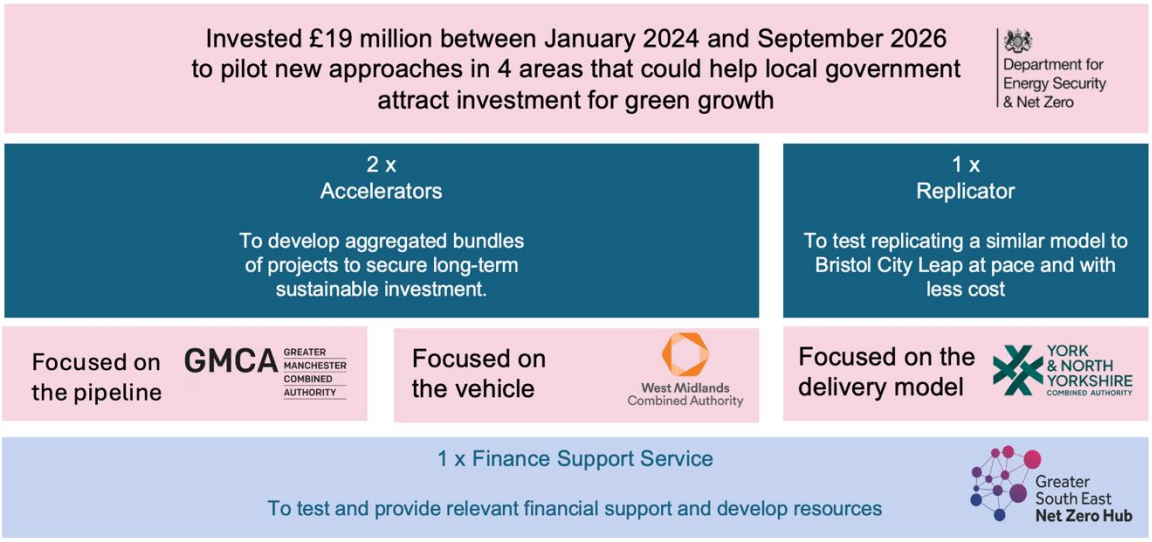
Greater Manchester had a decade of energy planning behind it across ten boroughs, so it started with the projects and worked on how to group them into something investors would take.

West Midlands started with the financing question, in a region where most of the work that needs doing is at neighbourhood scale and least likely to pay for itself. It then had to build the pipeline underneath it.

York and North Yorkshire Combined Authority ran the 'replicator' pilot, testing whether the Bristol City Leap model could work in a mixed rural and urban area. Bristol City Leap describes itself as a twenty-year partnership between Bristol City Council and private partners Ameresco and Vattenfall Heat UK, set up to bring more than £1 billion of investment into the city's energy system and to create around 1,000 jobs in its first five years.

The Greater South East Net Zero Hub ran the Financial Support Service alongside the other three. The Financial Support Service piloted a centralised model for providing local Authorities with specialist finance, commercial and investment expertise, rather than relying on each Authority to procure that support independently.

Alongside this, it gathered evidence from across the programme, developed tools and guidance, and captured lessons to support replication by other Authorities, including through this brochure.



Each Authority started from a very different position and met different problems. You can read about each of them individually in *5. The story of the Combined Authority pilots*.

4. Three different journeys, a common constraint

How each of the three Combined Authority pilots approached the same problem differently, and what they all found.

Each pilot faced the same problem: how to make local net zero projects something an investor would take seriously. Each started somewhere different, and each took a different route.

Greater Manchester started with the projects

It came into the programme with roughly ten years of energy planning behind it, built up across all ten boroughs. It did not need to make the case for acting or work out who should be involved. It could go straight to the harder question: how to turn a strong regional plan into individual projects ready for delivery and investment, manage them as a portfolio and bundle suitable projects into an investable proposition.

Creating an investable bundle turned out to be the difficult part. Making separate projects look like one offer that investors would consider needed far more detailed work than anyone had assumed, particularly where different kinds of finance were being combined.

West Midlands started with the money

Its region is largely urban, with high energy demand, limited room for large-scale renewable generation and significant fuel poverty. That means much of the work it needs to do happens at neighbourhood scale, in people's homes and streets. It is also the work least likely to pay for itself, because the benefits land with households and public services rather than with investors.

So the pilot began with the financing question rather than the project list and had to build the pipeline underneath it. The original idea was a single fund covering the whole region, in

which stronger projects would carry weaker ones. There turned out to be too few high-return projects across the region to make that work at the scale intended. The pilot moved instead towards creating bundles of different kinds of work within individual neighbourhoods.

York and North Yorkshire started with the delivery model

The Combined Authority had been formed only weeks before the pilot began, and its first mayor had not yet been elected. That turned out to be an advantage. There were no existing delivery vehicles, long-standing arrangements or prior commitments to unpick.

It was asked to test whether the Bristol City Leap model could be replicated in a mixed rural and urban area. What it found was that it could not answer that question yet. Before any decision about a delivery model could be made, it needed to know what it actually had. The pilot spent much of its time building that picture, bringing asset information that sat with different teams in different formats into a single comparable record.

When it did take an emerging proposition to the market, more than a hundred organisations took part. Combining assets from different sectors into a single commercial offer proved less attractive than expected.

What all three found

Three places, three starting points, three different routes. All three came up against the same constraint.

Getting a portfolio ready for investment is bigger work than getting the projects ready. The constraint is not the availability of capital. It is the money, the time and the expertise needed to reach the point where an investor can seriously assess what is on offer.

Every place will start somewhere different. But nobody now has to work these questions out from scratch. What these three pilots learned, and the tools they built, are set out in the rest of this brochure and available to use.

5. The story of the Combined Authority pilots

A one-page summary of each Combined Authority pilot and where to find out more.

Greater Manchester Combined Authority

By the time the pilot began, Greater Manchester had already spent roughly ten years on energy planning, including Local Area Energy Plans across all ten boroughs, the Go Neutral programme, a Local Energy Map showing where assets and constraints sat, and an early business case for action - each step built on the last.

This work changed what the pilot could be about. There was no need to argue the case for acting, or to work out who should be at the table. The Combined Authority had been running complex city-region programmes since 2011, and the 2023 devolution deal had added powers over transport, housing, skills and investment. So the pilot went straight to a harder question: how do you turn a strong regional plan into individual projects ready for delivery and investment?

The answer ran across seven workstreams, coordinated across ten boroughs with partners including Transport for Greater Manchester and NHS bodies. Flagship schemes in Oldham and Wythenshawe tested delivery at district and at neighbourhood scale. Others covered heat networks, energy generation, retrofit, transport and charging infrastructure, and the regional investment case that held it all together.

Some things were harder than expected. The work of making separate projects read as a single offer proved more detailed than the team had planned for, especially where grant, loan and equity had to sit together in one portfolio. Delivery began in places before the whole portfolio was mapped, which later created work to keep evidence and evaluation aligned. Energy and building data arrived from different systems, and keeping it comparable took continuous effort. Procurement moved at different speeds depending on the route used and how long legal review took. External advisers filled capability gaps the internal team did not yet have in-house, which kept work moving, though it meant some of that expertise sat outside the core team rather than being built into it.

Heat networks became a particular focus as national policy timetables pushed zoning decisions up the agenda. That kept raising questions of cost and planning, including who would buy the heat and what it would cost to connect people to a network.

Governance grew into the job. Regular board meetings, risk registers and dashboard reviews became necessary rather than optional once the portfolio reached this size. And enabling work at the Oldham Green New Deal moved past the concept stage, giving the wider portfolio a more developed example to point to.

Scan the code for the full Greater Manchester Pilot Journey, including five lessons for other places and a quarter-by-quarter record of how the pilot unfolded.

West Midlands Combined Authority

The West Midlands is a largely urban region with high energy demand, limited scope for large-scale renewable generation, and significant fuel poverty. That combination means most of its decarbonisation has to happen at neighbourhood scale, in people's homes and streets rather than on industrial sites. WMCA's own thematic work put the cost of decarbonising the region's homes alone at £30 to £70 billion.

It came into the pilot with more in place than most. Energy Capital, its regional energy partnership, already connected Local Authorities, industry, utilities and investors. Net Zero Neighbourhoods was live, funding neighbourhood-scale work across six Local Authorities and building the community relationships that work depends on. What the region did not have was a way to pay for that work at the scale needed.

So the pilot set out to find one. Underneath it sat a hypothesis: that four things had to be developed together rather than one after another. Community participation, a pipeline of projects ready for investment, evidence of the outcomes those projects produce, and funding and finance capable of supporting them at scale.

The first financing idea was a single regional fund. It would develop projects to the point of investment, then offer them to two kinds of investor, those seeking a commercial return and those willing to accept less in exchange for social outcomes. Stronger projects would carry weaker ones. Two things worked against it. There were too few high-return projects across the region to carry the rest at the scale intended, and too few investors willing to accept a lower return for outcomes alone. What followed was narrower and more practical: one fund concept for commercially stronger assets, and one that groups several kinds of work across a single neighbourhood, retrofit alongside other energy and transport measures on the same streets. Both continue to develop beyond the pilot.

Underneath the fund work, the pilot built the machinery those concepts depend on. Three digital tools were developed: one to collect outcomes evidence on carbon, health, fuel poverty and household benefits, one to manage the resident journey through retrofit from consent to completion, and one to map the region's projects and opportunities by location, ownership, maturity and scale. Techno-economic studies examined solar, battery, landfill and depot opportunities, and produced investment case methodology other projects could reuse.

Three difficulties ran through the pilot rather than easing after the start. Collecting outcomes evidence proved harder than expected at every stage, from securing resident consent to installing monitoring equipment early enough to capture a full year. Procuring specialist advice took longer than the programme had allowed for, and the specification kept changing as the pilot's understanding of its own problem improved. And finding and developing projects for a pipeline turned out to be a substantial job in itself. A dedicated pipeline function was added partway through to do it.

Scan the code for the full West Midlands Pilot Journey, including ten lessons for places where decarbonisation depends on neighbourhood-scale work, and a quarter-by-quarter record of how the pilot unfolded.

York and North Yorkshire Combined Authority

The pilot started a few weeks after the Combined Authority itself, and before the region had elected its first mayor. That timing could have been a problem, but it proved an advantage. No delivery vehicles were established to unpick, no long-standing arrangements to work around, and the question of how net zero delivery should be coordinated across the area was still open.

It meant the place set the terms. York and the wider county differ in their assets, their communities, and their prospects for attracting investment. Settlements are spread out, and heritage considerations and electricity-grid constraints mean no single delivery model could be assumed to suit everywhere.

There was also real material to work with. Councils owned or controlled a substantial set of buildings and land, local area energy plans were finished, and energy mapping and feasibility work was already beginning through the Energy Generation Accelerator Programme (EGAP). What was missing was a way to see it all in one place. Asset information sat with different teams in different formats, and records were not always comparable after local government reorganisation.

So the pilot created order and consistency across the Combined Authority, starting by making the opportunities visible and comparable. The Asset Base Review, completed in February 2025, brought 15 asset classes across more than 15,000 sites into a single record, standardising estate data, baseline emissions and development opportunities so they could be compared for the first time. A scoring method for ranking land and asset opportunities made the choices that followed transparent. Draft prospectus and business case material followed.

Then it asked the market. A market-testing webinar attracted 103 organisations, 23 of which gave detailed feedback. The appetite for working together was real. What partners pressed on was the arrangement rather than the projects: how decisions would be made, and which party would carry which piece of the work.

That feedback changed the plan. A single offer spanning buildings, land and generation assets was a harder proposition to place than expected, and at pilot close YNYCA was considering how projects might be phased or grouped in a way that offers an acceptable return while protecting public value.

However, three difficulties persisted for the pilot. It found that building a usable asset base took substantial data cleaning and judgement. It also observed that procurement ran longer than expected, particularly where approvals were cautious, or partnership options raised compliance questions. Commercial modelling, green finance and investment negotiation were not yet deeply embedded across the system. YNYCA chose to buy that expertise in rather than wait to recruit it, though the knowledge then sat with a small number of people, some of them external.

Scan the code for the full York and North Yorkshire Pilot Journey, including seven lessons aimed at places outside the large city-regions, and the route it followed written up as a roadmap.

6. What the pilots learned across six areas

What the pilots found in areas every Authority has to cover.

Across all three places, the same six areas of work kept determining how quickly things moved forwards:

1. Governance
2. Portfolio development and commercialisation
3. Community engagement
4. Strategy-stage procurement
5. Data as evidence
6. Investor engagement

What the pilots learnt in these six areas of potential friction is covered in the rest of this section. Please note, they are numbered for reference rather than ranked by importance.

1. Governance CAs should take the lead in ownership structures, risk allocation, and roles. Work out who holds which decision rights before you start.	**2. Portfolio development** Budget for development work and treat it as a distinct stage. Build team's investment language, skills and confidence.	**3. Community engagement** Embed community engagement into scope and outputs from day one. Shape the approach with fairness and transparency.
4. Strategy-stage procurement Have a well-checked specification, a named decision-maker, and an early sense of supplier interest before you begin.	**5. Data as evidence** Build measurement into delivery briefs from the start. Gather evidence throughout and consider impact and social value.	**6. Investor engagement** Plan investor engagement from the start. Build a portfolio around comparable data and clear rules for what's included.

1. Governance

Get decision-making sorted early, so it doesn't slow you down.

In this programme, governance means something specific. It means how decisions get made, who is accountable, and who carries the risk. Each pilot had to answer that at several levels at once: inside its own programme team; between the Combined Authority and its constituent councils; and between the public sector and the delivery partners and investors it hoped to work with.

The pilots spent time designing governance structures, agreeing approval routes, setting up boards and risk registers, and working out ownership and risk allocation for the delivery models they were testing.

Each pilot was operating in a different starting governance landscape. The number of councils involved varied, as did the scale of the assets they owned and how closely their strategy, legal and finance teams already worked together. Because this was new activity, agreeing decision-making and approval responsibilities across teams and organisations became an important part of the work itself.

Delivery timelines were often set more by the approval route than by the technical work. Approvals for spending, procurement and partnership decisions ran in sequence, each sign-off waiting on the last. Teams also had to keep records that would stand up to public scrutiny, including Freedom of Information requests, while the governance arrangements themselves were still being worked out

What the pilots found:

- Convening was a prominent Combined Authority role across the three pilots. All three pilots brought their councils together around a shared investment strategy and took on work individual councils would struggle to do alone. This included technical assistance, business case development, modelling, and approaching the market on behalf of a whole portfolio. This happened even when the Combined Authority didn't own the projects, which meant it needed both clear governance and a convincing answer to why it was involved.
- Partners turned out to have different appetites for control, so nothing could be assumed. Where decision rights were agreed explicitly and early, including whether a decision covered a single project or the whole portfolio, less time was lost to working it out later.
- No single model emerged as a default. The pilots tested joint ventures, concession arrangements, council-owned delivery vehicles and fund structures. Investors were most likely to ask not about the model itself, but who owned it, who made the decisions, who carried the financial risk, and how much control the public sector kept.
- Where financing ideas were tested early against the scrutiny they would later face, fewer problems surfaced in procurement and internal approvals. Building in transparency rules and audit trails from the start meant records were ready when they were needed rather than reconstructed afterwards.

2. Portfolio development and commercialisation

Fund early development work to build investor-ready project portfolios

This area covers two jobs that turned out to be inseparable: building a portfolio of projects and building the commercial capability to do it. The pilots aimed to identify individual projects, move them through the development pipeline and, where appropriate, group them into bundles for procurement, financing or delivery. That meant taking projects past the idea stage and building the evidence an investor would need to see that they could be delivered and paid for. It also meant working out which funding and finance models would work in their own area.

The pilots carried out feasibility studies and techno-economic modelling, reviewed and mapped what each Authority owned, appraised options, designed investment vehicles and funds, and built the data platforms to hold it all.

Some had a head start, with substantial project pipelines and evidence already to hand. Others were at the very beginning, so they had to identify opportunities and establish what assets they held before they could assess them, move suitable projects through the pipeline and decide which should form part of a managed portfolio or a purpose-specific bundle.

Finding and ranking those projects took far more effort than anyone expected. It was easy to assume that projects already existed and only the money was missing. In practice, they often had to be found and developed first. Constituent councils also sometimes had to be persuaded to put their projects into a shared pipeline, which depended on the Combined Authority explaining what those councils gained by doing so. In some pilots, early development work happened inconsistently rather than as a planned stage with its own money and a named owner. In some cases, teams brought delivery partners in before the feasibility, financial and legal work was finished, which only created rework later.

What the pilots found:

- Projects need money to get ready as well as money to build, and the first kind is scarcer. Development funding pays for feasibility, technical design, commercial modelling, planning, legal work and engagement. Without it, projects never reach the point where an investor can assess them at all, because investors and lenders prefer schemes where that work is already done. This constraint came up across all three pilots.
- Early development is a stage in its own right. Before this programme, Authorities tended to assume a project moved straight from identification to procurement. In practice it sits between finding a project and taking it to investors, and it needs its own funding and a named owner.
- Funding on its own was not enough. Authorities also need commercial, financial and legal expertise to shape projects into something investable. The pilots showed how limited team capacity and capability was in some cases, which became particularly evident in the demand for the programme's list of pre-approved suppliers.

- Some of that expertise is worth building rather than buying. Pilots learned from each other, from facilitated sessions, and from working alongside advisers. Skills developed in-house kept paying off once the external support ended.
- Finance ideas were worth testing early, against real constraints and against what investors would actually back. More than one approach that looked workable on paper fell away once it met the market: a single regional fund covering everything, and a portfolio combining assets across different sectors, both turned out to be harder propositions than expected. Testing earlier helped the pilots avoid spending time on options that were unlikely to work.
- Grouping projects together did not remove the need for each one to stand up. Market testing found that each asset still needed its own viable return, and that combining different types of finance in one portfolio took considerably more work than expected.

3. Community engagement

Build it into delivery, not around it.

Residents and local businesses may be affected during the development and delivery of these projects, so local trust plays a large part in whether delivery succeeds. For projects to be welcomed rather than resisted, to achieve strong take-up, and to deliver benefits to the people they were meant for, communities need to be involved in shaping the approach from the outset.

The pilots ran neighbourhood-scale engagement, mapped who would be affected, tested how residents responded to proposals, worked through existing local organisations, and built the systems to manage residents through a retrofit from first conversation to completion.

Approaches varied, and so did the capacity behind them. One pilot had neighbourhood engagement built into its programme from the start, with dedicated officers working street by street. Elsewhere it was less consistently resourced. Local circumstances varied widely too, including whether people owned or rented their homes, rural and urban geography, and levels of deprivation. Residents worried about cost, eligibility, and how much disruption the work would cause. Where the language was technical, or where there was little shared local identity, conversations stalled before they started.

What the pilots found:

- Community participation is part of the delivery model rather than the communications around it. The pilots found that resident participation depended on people understanding the proposed work, its benefits and its likely disruption. In the pilot evidence, building trust and buy-in took six months to a year in some places, and sometimes longer, so it needs planning and resources from the start.
- Straightforward and inclusive approaches worked well in the pilots. They began by mapping who would be affected and, just as importantly, whose voice was missing. Pilots then tested what they wanted to say in informal settings, through local groups people already trusted, in plain language.

- Sustained contact tended to achieve more than one-off events. Door-knocking, regular conversations and working through trusted organisations built more trust, and interest grew once people could see delivery happening nearby.
- Co-design needs its own budget and a named owner, and the role often grows. Where neighbourhood officers were in place, their work extended well beyond engagement into coordinating funding bids, writing business cases and aligning partners. Early testing of how invasive the work would be, and how long it would last, reduced the number of residents who dropped out later.
- Commitments held better when they were transparent and measurable. Where wider community benefits were made open, measurable and carried into procurement documents, they stayed in place after suppliers took over. The pilots found no consistent way to measure social value across a portfolio, which made those benefits harder to track than they should have been.
- Engagement done properly continues through procurement and delivery rather than stopping once a project is approved.

4. Strategy-stage procurement

Smoother procurement starts with being ready to buy

In this programme, procurement means something specific. It means buying in advice and development capacity: surveys, feasibility and design work, modelling, business case development, and commercial, financial and legal expertise. It does not mean appointing contractors to build or install anything, which comes later once projects are ready.

Even so, the scale was considerable, because this work had to cover many different buildings, sites and landholdings, often across several councils at once. The pilots wanted purchasing routes that would let them commission at that scale without losing months to back and forth.

The pilots ran procurement exercises using several routes, wrote and rewrote specification briefs, sounded out the market informally, and built shared supplier lists and templates that other Authorities could use.

Procurement and contract management teams had little spare capacity to learn, and familiarity with the available purchasing routes varied. There was also no consistent sense of whether suppliers would be interested in this kind of work or had the capacity to take it on.

What the pilots found:

- Buying advice for work you have not done before takes longer than a conventional procurement. The brief is still forming while the process runs. Breaking a large procurement into smaller pieces, phased alongside the development work, was more workable than waiting until everything could be specified at once.
- Supplier responses can show when a brief needs refining. A large number of clarification questions is an early warning, and no bids at all is a stronger one. The pilots treated both as signals and tightened later briefs accordingly.

- Checking the specification worked better as a habit than as a one-off. Repeated checks pointed to a need for better buyer-side preparation before a process began, and that readiness had to be revisited as the portfolio grew rather than assessed once.
- The purchasing route is a real decision. Different routes carried different workloads for teams and different delivery timescales, and progress depended on how familiar teams were with each and how long legal review took.
- Supplier interest is worth confirming rather than assuming. Market sounding, which means asking suppliers informally whether they would bid and whether they could deliver, avoided wrong assumptions and saved time later.
- A shared, pre-approved list of suppliers saved time. The pilots bought in advisory and development support to help design a shared purchasing route and compile a shared supplier list, giving Authorities another option alongside their existing local arrangements.

5. Data as evidence

Building evidence of impact from the start

The pilots wanted to show the impact of their work: lower bills, warmer homes, better health, and new jobs. Evidence like this matters to investors, funders and residents, and it makes the case for doing more.

The difficulty is that you cannot go back and measure something that has already happened. What to record has to be decided before there is anything to capture.

The pilots built tools to collect outcomes evidence, mapped how activities were expected to lead to results, set measurable targets for each main area of work, and wrote measurement requirements into briefs and contracts.

At the start, they found no shared way across a portfolio to decide what to measure or how to prove it, beyond what routine programme reporting required. Different contracts and internal processes asked for different things, and the starting picture, or baseline, was not always there. The risk was that work would get under way with nobody having set up a consistent way to capture the evidence, and that by the time anyone needed it, the moment to collect it would have passed.

What the pilots found:

- Decide what success looks like before the work starts. The pilots did this by mapping how an activity was expected to lead to a result, known as a theory of change, and by setting measurable targets for each main area of work. That included agreeing what a good enough starting picture looked like, rather than holding out for a perfect one.
- Write it into the contract. Some agreements did not specify what data had to be collected, and the gap showed up later when the evidence was needed. Where measurement expectations were built into briefs and requirements from the outset, the data arrived as routine rather than as a special request. It also needs to be detailed enough to show benefits building up over time, not just high-level monitoring.

- Describe the results in human terms. Success landed better when framed as reduced bills, improved health and jobs created, and it is worth checking that vulnerable and marginalised groups are visible in that picture rather than lost in an average.
- Collect the evidence for what it tells you. It shows where the work is having an effect and where to act next. Investors recognised the value of better health, lower fuel poverty and reduced emissions, but still assessed projects primarily on the financial return, so this evidence is unlikely to carry an investment case on its own.
- Some questions about evidence were left unresolved. These are set out in *7. What the pilots did not settle.*

6. Investor engagement

Improve engagement with evidence and a clear narrative.

An investor may look at a single local net zero project and consider it too small, too vague, or carrying a mix of risk and return that does not complement their other investments. For Authorities moving from grant funding towards long-term private investment, that means working out who the right investors are, what each type wants, and what they need to understand about a project before committing.

The pilots mapped which investor types might fit their portfolios, tested propositions with the market, built evidence packs and prospectus material, and ran structured conversations to find out what investors would actually back.

This was new ground for most teams. Many Authorities lacked an in-house specialist who could talk to the market, or a consistent way of working out which investors might fit. Confidence varied from place to place. There was no agreed view of the minimum information an investor would expect to see, and no clear sense of how investor conversations should line up with decisions about governance and procurement, which were being made at the same time.

Projects were also hard to compare. Data was inconsistent and patchy, teams measured different things in different ways, and no shared method existed for judging how ready or risky a project was.

What the pilots found:

- What investors asked for was certainty rather than more projects. Across the pilots, the recurring questions were about governance, who would do what, and whether the numbers held. Partners engaged readily where those answers existed and held back where they did not.
- Approach investors in stages. A gentle first sounding, then targeted conversations, then formal routes. Feedback was most useful when captured in a structured way, which helped teams decide who to approach next and in what order.
- Be specific. Investors responded better to comparable information across a portfolio, clear governance, evidence of how mature each project was, and a narrative that explained how the parts fitted together. An aspirational list of projects was not enough.

- Four questions gave teams a shared language. Rather than starting with financial terminology, teams found it useful to ask what a project costs, who controls it, what value is created and for whom, and who carries the risk. Using the same four questions each time helped mixed teams talk to investors, advisers and senior decision-makers without losing the thread.
- Consider bundling around an anchor. Where pilots grouped projects, the approach they developed was a strong anchor project with smaller ones attached, a minimum maturity level each smaller project had to reach, and clear rules about what went in and what stayed out. Other places could test whether a sufficiently mature anchor project would give them a clearer proposition."
- Agree the stage-gates in advance. The pilots mapped the points a project should pass through, from first idea through development to going to market and tracking results, and agreed the minimum evidence needed at each step. Building templates for that evidence, rather than starting fresh each time, cut out a great deal of repeated work.
- Going to market early can cost confidence rather than build it. Approaching the market before governance, evidence and delivery arrangements are well enough developed can reduce confidence, and relationships may then need rebuilding.

7. What the pilots did not settle

What the programme showed, and what it did not.

Three places improved their readiness, built evidence they did not have before, and had real conversations with investors. None of the three place-based pilots secured private capital at portfolio scale during the programme.

A constraint across all three pilots was the money and expertise to take a project from idea to the point where an investor could assess it. That work has to happen before anyone will put capital in.

Three things the programme did not remove the need for:

1. Development funding

A constraint across all three pilots was the money and expertise to take a project from idea to the point where an investor could assess it. That work covers feasibility, technical design, commercial modelling, planning, legal advice and engagement, and it has to happen before anyone will put capital in. Investors and lenders prefer schemes where it is already done.

The programme did not find that the market would supply this on its own. The pilots paid for it with programme money. Without a repeatable route to early-stage development funding, most projects will not reach the point where the rest of this brochure becomes relevant.

2. Public intervention

Because investors still assessed projects primarily on the financial return, where that return is thin, and in the work that matters most to residents it often is, someone has to close the gap or the work does not happen.

One pilot looked for investors willing to accept a lower return in exchange for social outcomes and found too few of them to carry a portfolio. That points back to the public

sector: not only as a funder, but as the party willing to carry risk, take a first-loss position, or accept a longer payback than the market will.

3. Blended finance

No pilot found a structure that removed the need to combine public and private money.

The pilot evidence suggests blended approaches are likely to remain the main route for work that will not attract commercial capital on its own. But they are a design problem rather than a default, and they need the development funding and public risk appetite described above to be in place first.

Still open

Three questions had no settled answer by the end of the programme. Which outcomes can fairly be credited to a particular piece of work. How long benefits take to show up. And who holds and maintains the evidence over time, once a programme has finished.

8. What could be carried forward

How other Authorities can apply or build on the learnings.

The pilots improved understanding of what it takes to get local net zero projects ready for investment. What follows is drawn from that work.

It comes from one programme in three places rather than from practice tested everywhere, so it is offered as learning to weigh against local conditions. The headings follow the same six areas as section 6, so anything here can be traced back to the evidence behind it.

Getting the governance right

- ✓ Write down who holds which decision rights across the Combined Authority, its councils and any delivery partners, including whether a decision covers a single project or the whole portfolio.
- ✓ Agree approval routes and assurance requirements at the same time, including anything needed for quality assurance, redaction or governance review.
- ✓ Settle ownership structures, risk allocation and accountability before approaching procurement or investors.
- ✓ Be able to say what a council gains by putting its projects into a shared pipeline, and get that agreement early.
- ✓ Put governance in place for the whole programme, not individual schemes, including regular boards, a risk register and a dashboard.
- ✓ Test financing ideas early against the scrutiny they will later face, and build audit trails as you go rather than reconstructing them afterwards.
- ✓ Do not force a decision on the delivery model while the evidence is still being gathered. Use structured, open conversations across partner organisations to reach agreement or surface disagreement early.
- ✓ Treat models used elsewhere as reference points rather than templates, and work out which parts fit your assets, governance, markets and capacity.
- ✓ Write the constraints down before comparing options. Ask how much control you can give up, what you can afford, what you can carry on the balance sheet, how long procurement will take, and what scrutiny it must withstand.

Building the pipeline

- ✓ Treat project discovery, asset mapping and portfolio creation as three separate pieces of work, rather than assuming a pipeline already exists.
- ✓ Fund early development as a distinct stage between identifying a project and approaching investors, and make someone accountable for it. Budget for it from the start.
- ✓ Take stock of the evidence you already hold, such as energy plans, business cases and mapping work, and build on it.
- ✓ Test your method on a small sample of assets before applying it to everything.
- ✓ Decide deliberately whether to map the whole portfolio before starting delivery or to map as you go.
- ✓ Be ready to reconcile your data so an investor can compare across a portfolio.
- ✓ Agree the rules for what goes into a bundle, and use a consistent method to score projects before deciding how they should sit within the managed portfolio and which bundles should be taken to investors.
- ✓ Check your portfolio is big enough to be worth an investor's time.
- ✓ Work out early where the public contribution will have to sit in the funding mix, rather than assembling a portfolio and looking for it afterwards.

Building your team’s capability

- ✓ Buy in commercial, financial, legal and technical expertise to increase the capability of internal teams and build knowledge and confidence.
- ✓ Build investment skills through real work: early project development, market engagement, business case writing, and exposure to actual investment decisions.
- ✓ Write short reusable guides for recurring decisions, such as choosing projects, writing briefs and assembling evidence packs.
- ✓ Make time for peer learning with Authorities at different stages, alongside any specialist support you buy in.
- ✓ Plan for how knowledge stays within the Authority once external advisers leave, and spread it across the team rather than concentrating it in one role.
- ✓ Decide early which outputs need to outlast the programme, and build them so your own team can maintain and re-run them without help.

Working with communities

- ✓ Start earlier than feels necessary. Building trust and co-design can take six months to a year, and sometimes longer.
- ✓ Treat community engagement as delivery work from day one, with its own budget and a named owner, and consider the disruption to residents and businesses from the outset.
- ✓ Set out the co-design work early and link it to delivery plans, communications and disruption planning.
- ✓ Work through organisations residents already trust, in plain language, and keep the contact going rather than relying on one-off events.
- ✓ Make social value commitments transparent and measurable, and carry them into procurement documents.
- ✓ Make sure the voices and needs of vulnerable and marginalised communities are included throughout.

Buying in expertise

- ✓ Expect procurement for new kinds of work to take longer than usual, and consider breaking a large procurement into smaller pieces, phased alongside the development work.
- ✓ Quality-check the specification brief before it goes out, and keep doing it as the portfolio grows.
- ✓ Name a decision-maker for the procurement.
- ✓ Test supplier appetite rather than assuming it.
- ✓ Choose your purchasing route deliberately, allowing for its workload, timescale and legal review.
- ✓ Build in enough lead time for onboarding partners and negotiating scope and terms.

Setting up the evidence

- ✓ Decide what success looks like before work starts, including what a good enough starting picture looks like rather than holding out for a perfect one.
- ✓ Write measurement into delivery requirements and set up the means to collect evidence before work starts.
- ✓ Plan the practical side early: resident consent, surveys before and after, monitoring equipment installed in time to cover a full year, and data-sharing agreements across delivery partners.
- ✓ Collect evidence for what it tells you about impact and where to act next.

Going to investors

- ✓ Get governance, data and a credible delivery route in place before you approach investors.
- ✓ Decide which type of investor you are aiming for, gather the minimum information they will need, and engage in stages.
- ✓ Use the same four questions in every conversation: what does it cost, who controls it, what value is created and for whom, and who carries the risk.
- ✓ Treat the grouping itself as distinct work with its own time and expertise, not a final step once individual projects are ready.
- ✓ Make sure you have the capacity to act on market feedback before you go and ask for it.
- ✓ Be able to explain what the public sector is contributing and why.

Appendix 1: How we did the research

Where the findings came from and how we gathered them.

The findings in this brochure come from records kept while the pilots were running, rather than from a review carried out after they finished.

Those records included notes from workshops and meetings, among them a session that brought all the pilots together; reflection logs, where teams wrote down what was working and what was not as they went; Local Authority notebooks, where these were kept; procurement records, showing how teams bought in support and services; and support records, showing what help each pilot received, whether that was engaging investors, testing the market, measuring impact, running a procurement, sharing lessons on governance, or training a team.

Starting conditions are taken from the programme's first months, between January and September 2024, before the main delivery work began. The evidence then runs from October 2024 to June 2026.

The programme began with ten research questions. These acted as a starting framework rather than a fixed one. As the pilots progressed, the questions were revisited against what was happening on the ground, which showed where the gaps were and which issues mattered most in practice. The six themes in this brochure emerged from that process.

This is not an exhaustive evaluation. Work of this kind takes years to play out, and some results will only become clear in the months ahead. It is not a comparison of the three places, because their starting positions and circumstances differ substantially. The aim throughout has been to draw out lessons that empower other Authorities and help them accelerate their own net zero journeys. These learnings are captured in our six themes, which we have shared with DESNZ and central government to inform the design of future programmes. The pilot summaries are drawn from each Authority's own Pilot Journey document.

Appendix 2: Further resources

Tools, guidance and people who can help.

This brochure introduces a more complex programme. Further information about the Local Net Zero Accelerator can be found here:

Tools

The Fit4Finance portal has a diagnostic tool to help any Authority assess how investment-ready your own projects are. It also has a library of capacity-building resources, guidance and a glossary of terms.

Pilot Journeys

Each of the three Combined Authorities, Greater Manchester, West Midlands, and York and North Yorkshire, has its own Pilot Journey document. These go into more detail, including a quarter-by-quarter timeline, key decisions taken along the way, and lessons that could support other places with related challenges and factors.

What LNZA created beyond the pilots?

LNZA also developed practical support that other authorities can reuse:

- Fit4Finance, including a diagnostic, guidance, templates and learning resources; finance and investment training for local authority teams hosted as a collection on Net Zero Go;
- a Dynamic Purchasing System for accessing specialist support;
- Pilot Journey documents explaining how each place's approach developed;
- an Insight Review bringing together cross-pilot evidence;
- peer-learning activity, including Collaborative Task Groups;
- practical knowledge products on recurrent finance and delivery challenges; and
- a structured approach to capturing and organising programme learning.

People

Peer-to-peer support and networking is available through the Greater South East Net Zero Hub, including opportunities to learn from Authorities at different stages.

Get in touch

info@gsenetzerohub.org.uk