



Innovate
UK

INTERIM REPORT

Maximising the Value of
Local Net Zero Planning

Enable Embed Enact

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Innovate UK's Net Zero Living programme is supporting 52 local authorities across the UK to embrace innovation to unlock structural and systemic barriers to net zero delivery at the local level.

Regen and The Carbon Trust joined the programme to provide support for local authorities in navigating and responding to policy and regulations that impact their ability to deliver their net zero ambitions. Innovate UK does not endorse any of the views or policy proposals set out in this report.

About The Carbon Trust

The Carbon Trust, a consultancy committed to accelerating the transition to a decarbonised future, has pioneered positive climate action for over 20 years. It partners with governments, public bodies, leading businesses and financial institutions to drive progress towards net zero. Its global team of more than 400 environmental sustainability experts, including engineers and specialists in finance and policy, collaborates with diverse organisations, industries and business sectors worldwide. Recognising the critical importance of transition planning and collaboration across public and private sectors in achieving net zero, the Carbon Trust places this focus at the core of its work. To date, its experts have supported over 3,000 organisations and cities across five continents in their journey towards net zero.

About Regen

Regen is an independent centre of energy expertise with a mission to accelerate the transition to a zero-carbon energy system. We have nearly 20 years' experience in transforming the energy system for net zero and delivering expert advice and market insight on the systemic challenges of decarbonising power, heat and transport.

Regen is also a membership organisation, managing the Regen members network and the Electricity Storage Network – the voice of the UK storage industry. We have over 150 members who share our mission, including clean energy developers, businesses, local authorities, community energy groups, academic institutions and research organisations across the energy sector.

Authors

Andrew Barry, Senior Analyst – abarry@regen.co.uk
Poppy Maltby, Head of Local Energy – pmaltby@regen.co.uk

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Executive Summary

Local authorities will be critical to delivering net zero but many are unsure about their roles, the best approach to take and how to plan most effectively. This report is looking at how net zero planning can deliver the most value for local authorities.

Chris Skidmore MP's 2022 Independent Net Zero Review noted *"local action is key to delivering net zero in the cheapest and most effective way possible"*.¹

Recognising this opportunity, local authorities across the UK have been undertaking planning processes, such as Local Area Energy Plans (LAEPs) and Local Heat and Energy Efficiency Strategies (LHEES) in Scotland.^{2,3} These plans have significantly advanced the national conversation around net zero in recent years.

Stakeholders interviewed for our research highlighted the value of net zero planning approaches in helping councils understand what achieving net zero entails. They reported an improved awareness of energy challenges, stronger support for the required pace and scale of local changes, and clearer strategies for deploying resources to accelerate progress.

However, we found that most plans have resulted in limited or challenging implementation. Simply creating a plan does not automatically lead to action or investment, as local authorities noted that a lack of focus on delivery during plan development can hamper subsequent progress.



In this report we are examining lessons from planning efforts across the UK. Drawing on current case studies from the 52 Local Authorities involved in Innovate UK's Net Zero Living programme and refreshing messaging from our previous paper 'Planning for Decarbonisation at a Local Level'.⁴ The process involved detailed interviews with several local authorities and consultants working in this space, as well as input from policy makers and energy system stakeholders. This included a workshop exploring key themes, which was attended by around 30 experts from across these stakeholder groups.

This document presents our interim findings, which we will continue to develop through the Net Zero Living programme over the rest of 2025.

Significant changes to the UK's energy system planning make this analysis particularly timely. The government's commitment to 8 GW of local and community energy projects through the Local Power Plan and GB Energy presents a transformative opportunity for local decarbonisation.⁵ Energy system initiatives such as the Strategic Spatial Energy Plan (SSEP), Centralised Strategic Network Plan (CSNP), Regional Energy System Plans (RESP) and the government's Clean Power 2030 plan signal a shift towards strategically planned investment.^{6,7} Strong and consistent local contributions to these plans from local and regional governments will be essential to ensure local priorities are integrated into network development. In addition, the government's recent Devolution White Paper sets out plans for significant changes in local government powers, including funding and delivery of net zero. There will also be the creation of England-wide 'strategic authorities' and the removal of two tier authorities.⁸

These developments in local government and energy planning provide an opportunity to evolve approaches to local net zero planning, the objectives of the local authorities commissioning them and the role of net zero plans in the wider context of the energy system.

In this report we explore two areas with the aim of maximising the value of net zero planning for local areas. We will be progressing these areas within the Net Zero Living programme over 2025:

1. In order to achieve more effective delivery, we believe there is value in more clearly defining the role of local net zero planning for local authorities and wider stakeholders in the energy system.

As a next step, we will be exploring the creation of a more tailored and delivery-focused iterative process for net zero planning, recognising that local areas will take different approaches to net zero – some will enact and invest while others prefer to embed in existing processes and enable action by others.

While embracing heterogeneity of approach and focus, it is important to simultaneously emphasise consistency in data inputs and outputs from planning processes to inform wider stakeholders, in particular, those concerned with energy infrastructure planning.

2. Secondly, we highlight the 'enabling ecosystem' that local authorities need to directly deliver change or projects locally.

Despite the clear benefits provided by conducting detailed net zero planning exercises, the experience of local authorities shows that action is hard and there are a range of other enablers which need to be developed before, or alongside, plans so that they are genuinely actionable.

This report explores some of these enabling themes - leadership, governance, funding and delivery bodies. The Net Zero Living programme will continue to collate and communicate findings from the project on the enabling ecosystem, how national government can support it.

Contents

1 Planning is valuable but action is hard

2 Defining the role of local net zero planning

- 2.1 Embracing complexity and tailoring to local delivery roles
 - > **Case Study:** Cardiff County Council
 - > **Case Study:** Oldham Council
- 2.2 The role of data, modelling and consistency in net zero plans
 - > **Case Study:** Perth and Kinross Council
- 2.3 Net zero planning and the energy system
 - > **Next Step:** Developing iterative, tailored net zero plans

3 The enabling ecosystem

- 3.1 Leadership, governance and capacity building
- 3.2 Fostering strong local partnerships and convening stakeholders
- 3.3 Embedding net zero in existing responsibilities and building capacity
- 3.4 Funding and finance
- 3.5 Commercial delivery structures
 - > **Case Study:** Leicestershire County Council
 - > **Next Step:** Develop a framework for local authorities to build appropriate enabling ecosystems alongside net zero plans

1

Adding Value



1 Planning is valuable but action is hard

Local net zero plans have provided significant value for local authorities that have completed them and have been instrumental in progressing the national conversation on net zero delivery.

Building on the experience of local authorities, there is an opportunity to evolve approaches to ensure that net zero plans lead to rapid action and effective delivery.

Many local authorities have recognised the need for local-level action on climate, against a backdrop of national and international climate commitments. As a result many local and regional councils have declared climate emergencies and have committed to net zero targets that, in many cases, are significantly more ambitious than national targets.

Most local authorities now have climate targets and have carried out some level of action planning to support their work. These plans, such as Local Area Energy Plans (LAEPs) and Local Heat and Energy Efficiency Strategies (LHEES), have provided significant value and have contributed to a general improvement in the understanding of the requirements, challenges and opportunities posed by the energy transition.

Local authorities often report that value from local net zero plans generally derives from the big picture outputs of the process – “how many”, “where”, “when” and “how much” are all questions which are answered by detailed local net zero planning.



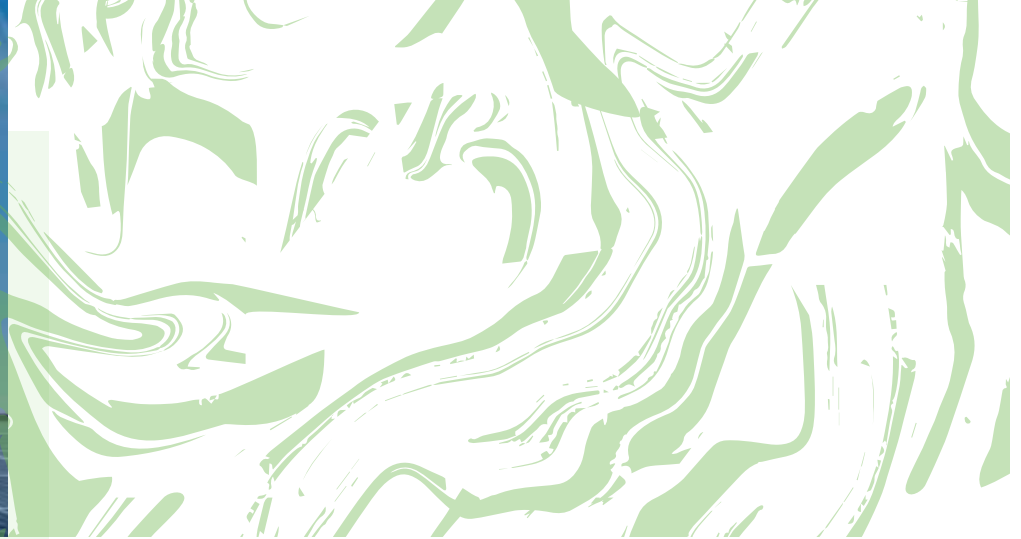
From interviewing local authority insiders, the most valuable outcomes of local net zero plans have been:

Articulating the scale of action required for net zero delivery

Local net zero plans give councils a sense of what net zero really means. The plans bring home the level of required investment, the rate of change required to achieve ambitious targets and a sense of the challenges and opportunities in their region.

Convening stakeholders and decision makers around net zero action

Councils cannot deliver decarbonisation by themselves. Local net zero plans have acted as a useful evidence base for authorities to influence stakeholders and create a shared understanding of the future of energy use in their region.



“Some of the outputs have been really useful. They’ve moved our agenda on and we’ve been able to communicate with members. [...] Ever since we started our decarbonisation journey we’ve had some pushback from people – we now have a very good answer for those questions.”

Gareth Harcombe, Cardiff City Council and One Planet Cardiff

However, action off the back of those plans has proved difficult for many. It is clear that the creation of a net zero plan does not inherently lead to action and investment. While outputs provide a valuable view of future low-carbon technology uptake and development potential, local authorities reported that a focus on delivery is often lacking during the development of plans.

We heard that local authorities would value the plans going further in detailing specific project opportunities, moving beyond outlining challenges and convening stakeholders, towards presenting high-level investment propositions that they or other local stakeholders could take forward.

2

Collaborative Approach



2 Defining the role of local net zero planning

Local net zero plans have successfully highlighted the ambition and critical role of local governments in net zero delivery. With a shifting energy landscape, increased devolution and growing insight into net zero implementation, it is now crucial to clearly define the purpose and audience of local net zero plans. Aligning these plans with the responsibilities, needs and delivery capacities of local authorities and the broader energy system is key to their success.

Clearly defining the role and purpose of local net zero plans
Our research shows that improving coordination between net zero plans and other local authority functions, while clearly defining their role as a tool for collaboration with Distribution Network Operators (DNOs), Regional Energy Strategic Planners (RESPs) and wider energy system planners is essential for maximising the efficiency and impact of local net zero planning.



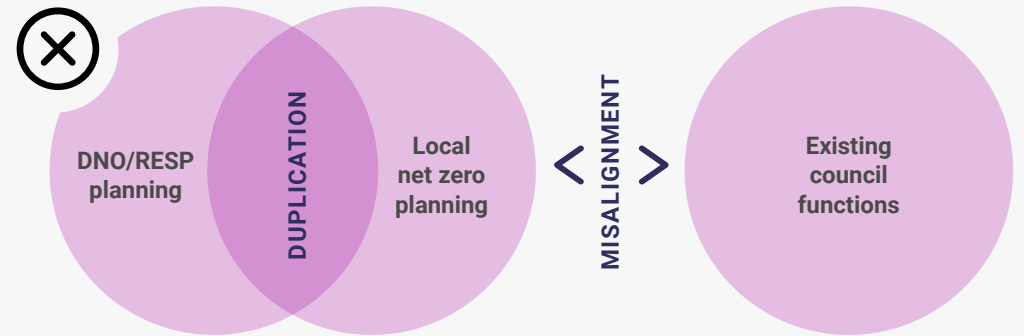
Figure 1 broadly illustrates the current approach, where net zero planning is somewhat disconnected from other council functions, leading to misalignment between net zero plans and other strategies, ongoing workstreams and organisational capacities. In addition, the role of net zero plans in relation to energy system planning is not formalised, leading in many cases to a lack of mutual understanding between stakeholders (e.g. local authorities and DNOs) which in turn results in duplicated analysis and modelling.

A more coordinated approach, illustrated at the bottom of Figure 1, would require clear definitions of how net zero plans interact with both local authorities' responsibilities and those of energy system planners.

This section outlines the elements needed to shift the current processes to a more coordinated approach:

- 2.1 Embracing complexity and tailoring to local delivery roles
- 2.2 The role of data, modelling and consistency in net zero plans
- 2.3 Net zero planning and the energy system

Siloed delivery



Co-ordinated collaborative approach

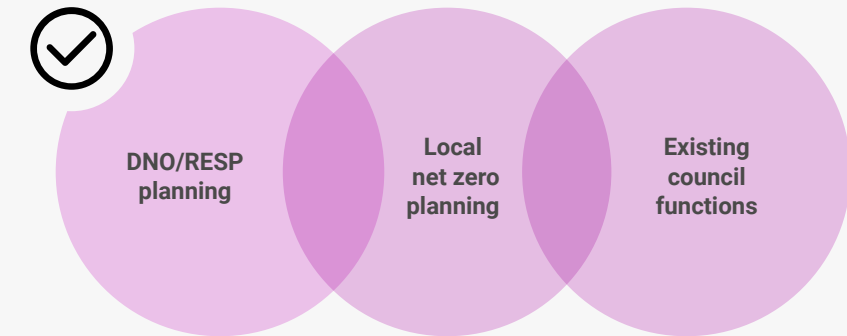


Figure 1: Visualisation of the interplay between net zero planning, energy system planning and other council functions.

2.1 Embracing complexity and tailoring to local delivery roles

Net zero is not a single issue, but a complex, cross-sector challenge extending far beyond energy which cannot be addressed in isolation from other strategic priorities.

Similarly, local governments are diverse, operating at different levels with varying responsibilities, timelines, geographies, capacities and political contexts.

Local authorities have found significant value in net zero planning approaches that illuminate the scale and complexity of the 'whole-system net zero' challenge. However, many struggle to translate this understanding into action. Local priorities often reflect the unique characteristics of each area, yet current planning approaches can misalign with their needs, providing excessive detail in areas beyond their control, such as energy system infrastructure, while offering insufficient guidance in key priority areas like land use, transport and spatial planning.

For example, during our workshop, stakeholders emphasised the need for greater clarity and standardisation in defining the role of net zero planning within Local Plans, which are currently developed by unitary and district councils to outline a framework for an area's future development. While some councils are integrating net zero planning into Local Plans, this is not yet a standard practice and relies on the initiative of individuals and, often, good timing. This is apparent in the case of Perth and Kinross Council, where the timing of their LAEP and LHEES

coincided with the development of a new Local Plan. The LAEP and LHEES then informed an 'Energy, Heat and Cooling' topic paper, which directly informed the Local Plan.

Regen is collaborating with the Royal Town Planning Institute (RTPI) on research to identify barriers between net zero plans and regulated planning, with findings due to be published in 2025.

The example of planning highlights the need to more clearly define the purpose and audience of local net zero plans and their place within the complex landscape of local government. Crucially, net zero planning processes and outcomes must evolve to better meet the needs and powers of local government, and to avoid sitting in tension with other priorities and responsibilities.

Tailoring processes to local priorities and ability to deliver

Interviews with local authorities also suggested that a clearer link is needed between the net zero planning approach – including the depth of data modelling and analysis – and the local authority's anticipated role and ability to deliver.

For sectors where the local authority acts primarily as a convener and enabler (i.e. typically areas outside of a local authority's usual remit, except as a stakeholder, such as industrial decarbonisation and larger scale energy generation), high-level analysis and efforts to unite and enable local businesses and decision makers could be sufficient to define a strategic direction and move towards local decarbonisation.

Embedding net zero in statutory responsibilities as described above, such as Local Plans, demands another approach (or series of approaches). This will need to draw on relevant technical requirements mandated by various existing statutory responsibilities. Councils will also need to consider evolving day-to-day processes to improve net zero compliance, though net zero planning will primarily be concerned with other strategic outputs. In contrast, areas where the authority has a greater ambition to directly enact change (e.g. their estates and social

housing) require detailed delivery-focused planning, which delves into the technical and economic specifics of potential decarbonisation opportunities.

This points to evolving a more pragmatic and thematic approach to net zero planning, grounded in the remit, priorities and capacity of the local government organisation to deliver. It is important to recognise that the role of a local authority may develop over time, and that the discrete roles described here are a simplification for illustrative purposes.

A local authority can take different roles in net zero project delivery:

Once a high-level plan exists and the broad picture is understood, deciding the role of the authority in the delivery can allow tailoring of further detailed planning and analysis to that approach. Broadly, the local authority can take different approaches:

Enable partners and stakeholders to act. This is particularly suitable for focus areas without centralised support and not within the authority's direct influence.

Embed delivery in existing departments where appropriate, particularly any actions which are closely aligned with, or involve, local authorities' statutory responsibilities and ongoing activities.

Enact plans themselves and ultimately take some responsibility for the development and deployment of net zero interventions. This is closely related to (but not solely reliant upon) policy and funding support.

The level of ownership and risk taken on by a local authority increases with each of these roles, as does the requirement for additional funding, capacity and resource.

Enable



The role of the authority is primarily as an enabler (e.g. through supportive policy) and a convener. Delivery is external.

Embed



Responsibility and accountability rests with existing authority functions.

Enact



The local authority takes responsibility for developing detailed plans and has some deployment responsibility.

Authority risk and resource requirement

Figure 2:
Roles for local authorities in net zero plan development and delivery.

Figure 3:
Example delivery role matrix for a number of standard local net zero planning interventions.

	Enable	Embed	Enact
Heat networks			✓
Industrial decarbonisation	✓		
Public transport		✓	
Renewables development	✓		
Etc			

Figure 3 provides an example of how a local authority's role might vary in net zero planning across different sectors and interventions. While real-world implementation will occur along a spectrum and differ by location, the 'Enable, Embed, Enact' framework serves as a high-level illustration.

It is also worth noting that action areas (i.e. the rows in Figure 3) would contain significant granularity, which could see the local authority choosing to take multiple roles within the same sector. For example, it may enact renewable energy development on its own estate, while enabling energy developers to build renewable generation projects on non-council owned land, for example by removing planning barriers and finding trade-offs with other non-energy strategic projects (e.g. housing developments).

The requirements for a local authority adopting an enabling role in a given sector would differ from those of an authority directly enacting a project. Equally, so would the level of risk borne directly by the authority. Consequently, varying depths of analysis may be appropriate, as well as tailored approaches to stakeholder engagement priorities and governance.

The mixture of roles taken by each local authority will differ based on its capacity and local priorities.

> Case study

Cardiff County Council

One Planet Cardiff

Cardiff County Council, along with all other local authorities in Wales, has recently completed a LAEP after funding was made available by the Welsh government. We heard that the funding of LAEPs by Welsh government set a clear mandate for further council led action on climate, which may otherwise have been lacking. Internal stakeholders close to the process reported its significant value for driving net zero conversations forward and helping to shape strategic thinking.

Outputs from the LAEP have been used by the council to enhance existing strategies, such as its 'One Planet Cardiff' initiative. This is aimed at allowing the council to lead the way on decarbonisation in the region while building strategic partnerships with the private sector. At its core, the strategy recognises that many actions needed to achieve net zero will require private sector collaboration.

Embedding net zero in existing council activities is one of the core focuses of One Planet Cardiff, due to the cross-cutting nature of decarbonisation, resource constraints and the essential nature of its other services.

One of the primary focuses of the initiative is driving behaviour change to overcome siloes, to allow decarbonisation to be delivered on the strong foundations of the council's existing organisational structures and processes.

The council is using LAEP evidence to build leadership support within the council – which helps with driving the transformation needed in existing council functions – while simultaneously engaging with the private sector and residents to build support and move towards delivery of wider decarbonisation infrastructure.

Cardiff County Council recognises that many actions needed to achieve net zero will require private sector collaboration.



> Case study Oldham Council

Community-Led Energy Planning

Oldham Council has prioritised local needs when implementing its LAEP, which was developed alongside other authorities under the Greater Manchester Combined Authority (GMCA). The GMCA LAEP, based on the Energy Systems Catapult's methodology, offered a valuable regional vision of decarbonisation. At the time of the LAEP's development, Oldham Council was initiating plans to form a private sector partnership for infrastructure investment but lacked a comprehensive energy and decarbonisation strategy. **The LAEP provided a vital resource, serving as a "prospectus" to facilitate discussions and detail plans for achieving net zero, with a mandate for Oldham to take action provided by GMCA's leadership.**

However, the LAEP overlooked key opportunities, such as wind power, which Oldham Council's planning team had identified as a priority in order to determine which, if any, areas of the borough could be suitable. Previous developer interest had highlighted the area's technical potential for this resource. The LAEP's omission of wind was likely influenced by planning regulations at the time. Stakeholders emphasised that incorporating recommendations to enable technically feasible solutions, rather than limiting plans based on non-technical constraints, would have been beneficial.

Since then, Oldham Council has refined its approach through Community Led Energy Planning (CLEP), a new hyper-local process "for prioritising energy projects and developing a robust understanding of local needs through meaningful and effective local community engagement.". Initially, the council lacked clarity on its priorities and struggled to steer the LAEP effectively. CLEP has since helped Oldham Council identify local priorities and



reconcile them with the technical insights from the LAEP through an iterative process. The council's delivery focus now aligns with the intersection of CLEP-defined priorities and LAEP outputs.

This example underscores the importance of tailoring net zero plans to local aspirations.

Oldham Council's evolving approach has yielded positive results, but suggests that an initial high-level prioritisation informed by community engagement could have produced a more actionable plan aligned with residents' needs and council objectives. Such an approach can also unlock the capacity required for delivery.

Additionally, this case study highlights the critical interplay between LAEPs and other council functions, such as spatial planning. Decarbonisation plans that are not embedded in these functions risk missing significant opportunities.

2.2 The role of data, modelling and consistency in net zero plans

Our previous research highlighted that modelling in processes like LAEPs is often associated with high costs to local authorities, and inconsistencies are common when plans are compared between authorities and other evidence bases, such as the Distribution Future Energy Scenarios (DFES).

As part of this previous research, we recommended establishing a centralised data services for local authorities - a recommendation that is now being explored in detail by the Net Zero Hubs and others. For example, the North West Net Zero Hub is currently developing the National Energy and Environmental Data Service (NEEDS), which aims to provide robust, consistent and application-specific data for local governments and their partners to support the development of net zero plans and projects.

In this study, we engaged with consultants with extensive experience in LAEP delivery, which reinforced the original recommendation. In particular the consultants raised questions around the centrality of modelled outcomes to council decision making. While there was consensus that modelling findings are generally valuable for advancing discussions and convening stakeholders, the consultants broadly agreed that these objectives could often be achieved with less detailed and less costly modelling.

This reflects the findings from our engagement with local authorities. Several stakeholders noted that the realities guiding decision making are often more complex than modelled, potentially limiting the long-term value of detailed and resource-intensive analysis. Nonetheless, we heard repeatedly that high-level summaries of modelled outcomes were often highly valuable resources for building consensus and support, especially among senior leadership.

Data and modelling should support, not lead, decision making

Modelling undertaken in net zero plans relies on various assumptions, simplifications and exclusions to develop insight about local homes' and businesses' energy usage and decarbonisation options.

Modelling usually, and rightly, employs logic to develop outputs representing the highest level of decarbonisation at the lowest financial costs. However, as highlighted above, we have heard that delivery is usually dictated by more nuanced factors – like local politics and priorities, and organisational capacity. These factors cannot be fully represented in a modelled scenario, meaning outputs are inherently simplistic.

Modelling provides an illustration and process for local authorities to explore some of the future uncertainties and challenges of net zero. It is useful to see the technical potential and costs of decarbonisation in an area. Therefore, data and modelling will always be important to build evidence and provide input to decision making.

However, the role of data and modelling in net zero plans should be seen as supportive rather than central – local authorities noted a disconnect between highly detailed modelling and practical deliverability, raising questions about the value of overly granular or detailed modelling approaches that ignore implementation capacity.

When following net zero planning processes, it is tempting to see a linear progression – from input data, to modelling outputs, strategy creation, decision making and project delivery. In reality the process will need to be iterative to account for changes in policy, local priorities, technological characteristics, etc. Modelled data for net zero plans should never be viewed as a static evidence base, but a snapshot which needs to be updated periodically. This is especially problematic if the models and data are held by third party consultants who may charge to provide ongoing support or simply be unavailable. A more iterative approach is needed.

Modelled data for net zero plans should never be viewed as a static evidence base, but a snapshot which needs to be updated periodically.

Changes are already being made to modelling processes within agile data platforms, such as the LAEP+ tool by Advanced Infrastructure, which is used in SSEN's LENZA initiative. These online tools can support more iterative planning by providing accessible, updatable, and standardised data repositories.⁹

The North East and North Yorkshire Net Zero Hub, in partnership with the Energy Systems Catapult, recently published an evidence review relating to spatial and temporal modelling for net zero planning. This was supportive of developing adaptive outputs, and set out a functional framework for spatial and temporal modelling tools. Several existing tools with valuable characteristics for agile net zero planning were identified and compared in a market review, which found that, despite myriad individual strengths, currently no single tool addresses all local authority needs. This highlights a need for further innovation and collaboration on this issue between public and private sectors.¹⁰

The report suggested that overall, whole-system spatial and temporal modelling should be used to set the direction of travel and should be updated on a medium timescale (e.g. every five years). This recognises the complexity of delivery and the gap between scenarios and reality. The review also suggested that

smaller tweaks to modelling and progress updates would ideally be incorporated more regularly, to allow modelled snapshots to evolve and remain valuable for short term decision making and strategy setting.¹⁰

Focus on consistency of inputs and outputs over methodology

The Energy Systems Catapult has developed a comprehensive methodology for LAEPs, while the Scottish government has done the same for LHEES. Despite these established approaches, many local areas are adapting these methodologies to better suit their specific needs. Some are undertaking only the initial stages of LAEPs, while others are specifying the use of existing data platforms, such as the LAEP+ tool developed by Advanced Infrastructure.

Net zero remains a complex and multifaceted challenge, and local areas have diverse needs and approaches. As a result, achieving consistency in approach and process for net zero plans is likely to be challenging.

Our workshop explored where consistency in net zero planning is most crucial to ensure credibility, comparability and the effective aggregation of local action plans at regional and national levels. Participants particularly emphasised the importance of standardising input datasets, output formats and stakeholder engagement processes. Of these, output consistency is particularly important as net zero plans inform broader energy system planning by DNOs, RESPs and national bodies, such as the National Energy System Operator (NESO). These energy system bodies are increasingly going to require aggregated local data for strategic planning.

At present, variations in datasets, assumptions and methodologies across consultants make it difficult to compare and aggregate plans. Bespoke tools and proprietary methods also often hinder updates to plans once contracts are completed and reduce trust in outputs. Therefore, there is a need for more standardised, transparent approaches to resolve these issues, simplify plan interpretation and better reflect local ambitions in strategies such as the DFES.

Our recommendations on data standardisation in net zero plans are outlined below.

Standardising inputs

Datasets

A centralised, regularly updated and free data service could support practitioners by specifying the datasets needed for modelling technologies and sectors. Initiatives like the North West Net Zero Hub's NEEDS project and RESPs are already exploring this approach.

Assumptions

Standardised assumptions on costs, efficiencies and emissions intensities should complement input datasets to ensure robust, comparable models across areas. The centralised data service could provide these, including sensitivity ranges for uncertainties.

Consumer & building archotyping

Archotyping is widely used in modelling to generalise energy system behaviours, offering spatial insights in lieu of real data. However, variations in archetype assumptions can impact results. Standardising archetypes, as seen in Ofgem's Energy Consumer Archetypes and NESO's Consumer Building Blocks, could enhance transparency, consistency and credibility.

Standardising outputs

Output units

Different approaches may produce results with different units. For example, electric vehicle stock, charge point counts and capacity, or energy demand may all be useful in different contexts. Without access to model assumptions, conversions are challenging and can misrepresent results. A standard, cross-sector output unit system for common technologies, tailored to the specific needs of stakeholders, is essential for consistency.

Spatial granularity

The level to which net zero planning outputs are aggregated varies across plans completed to date. Converting between these can require additional modelling assumptions, increasing the complexity of comparison and aggregation.

> Case study Perth and Kinross Council

Perth and Kinross Council have completed an LHEES (mandated by Scottish Government) and a LAEP (one of two developed in Scotland to date). This provides a whole energy system analysis of the area's decarbonisation needs and opportunities, to help develop a secure and sustainable local energy system.

The LHEES provided valuable insight around heat decarbonisation, including a clear articulation of the scale of the decarbonisation challenge. The council and its private sector Strategic Delivery Partners opted to develop a LAEP alongside this, to contextualise heat decarbonisation priorities alongside wider energy system needs, made particularly pertinent because of the devolution of heat policy to Scottish Government (while other energy issues sit at the UK level). The combined, evidence based analysis supports the development of a strategic investment framework which prioritises the delivery of a pipeline of varied decarbonisation projects in the short to medium term, and provides a longer term route map.

The Council's area is rich in renewable energy opportunities and grid capacity constraints were identified as a major potential decarbonisation blocker (across all sectors). The council's LAEP included detailed grid headroom analysis to address this.

Perth and Kinross council were one of the first adopters of SSEN's Local Energy Net Zero Accelerator (LENZA) tool, which provides local authorities with an agile, dynamic and accessible platform for hosting and interacting with net zero planning outputs.



They have found that a dynamic tool like LENZA has been more valuable than a static report, particularly in identifying the grid impacts of plans as they develop over time. LENZA has also facilitated a two way data flow between the council and the DNO, which has allowed LAEP and LHEES results to inform network plans, and distribution network constraints to be factored into ongoing local strategies. This is well suited to future iterative plan development, and promotes a joined-up approach via seamless data sharing, enhancing collaboration and avoiding duplication.

Perth and Kinross Council report that this has been instrumental to their ongoing decarbonisation planning, and champion the need for alignment and collaboration with the DNOs for all local net zero planning. We heard that the co-ordination of efforts between the DNO and local authorities is vital to achieve the mutual goal of enhancing the grid's capability to support local decarbonisation ambitions and opportunities, and a more decentralised energy system.

2.3 Net zero planning and the energy system

Local net zero plans can influence energy system planning, but will not replace it.

Energy networks are critical to support local growth and the energy transition. This is particularly true of the electricity distribution networks, which are critical enablers of heat and transport electrification – actions which are central to all local net zero plans.

Despite having no direct energy remit, many local authorities have used processes, such as LAEPs, to build an understanding of the energy system and local infrastructure needs. This has allowed them to engage more strategically with energy networks operating in their regions. In doing so, they have highlighted a significant gap between local and regional governance structures and the planning of energy infrastructure within their areas. However, energy networks do not always have certainty in local net zero plans, with questions around the credibility of some outputs and the feasibility of the timescales presented for demand changes. This uncertainty has made it difficult for networks to use these plans to justify significant investment in infrastructure. As noted earlier, many net zero plans tend to focus on modelling future energy systems rather than prioritising the delivery of tangible local net zero projects.

Ofgem has announced the introduction of the SSEP, CSNP and RESPs (see the information box ‘Strategic Planning in the Energy System on page 22), which signals a shift towards strategic infrastructure investment, and will have significant implications for the future of local authority interactions with energy system planning. Details are still emergent and Regen’s recent response to NESO’s SSEP consultation advocates for increased clarity around the interaction of top-down spatial strategies and bottom-up, locally led project priorities.¹¹

The role of RESPs will be working to improve coordination between system-level and local actors. Local authority involvement will, therefore, remain important to network planning, especially to provide detail and certainty on local priorities. However, there is potential for RESPs to relieve some burden from local authorities, who, to date, have been driving the coordination of network planning and local ambition.

This presents an opportunity to refocus local authority’s net zero planning activities onto developing investible opportunities. Robust, real-world insight on demand and generation opportunities in local areas will result in infrastructure development – net zero plans should, therefore, prioritise creating such evidence, as opposed to whole system scenarios stretching far into the future.

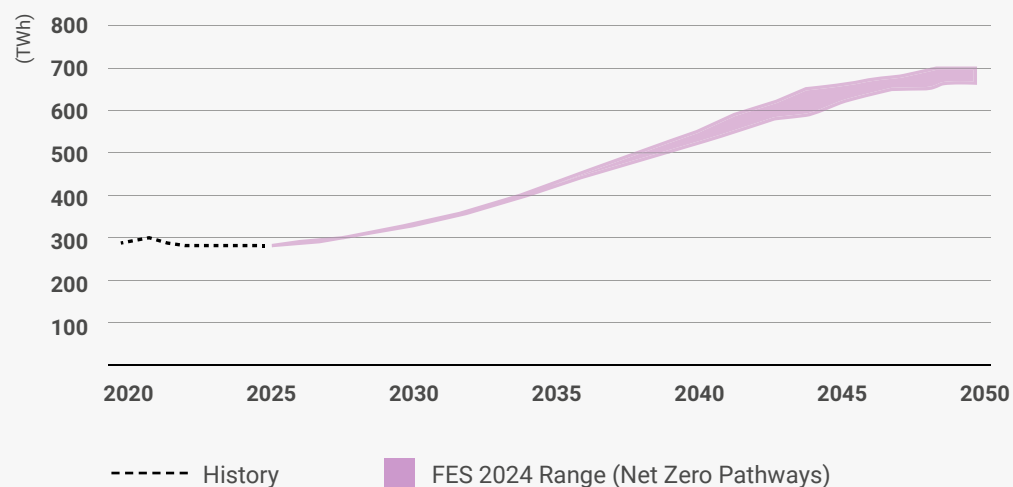
In addition, some local net zero plans produced to date have incorporated network capacity constraints into project planning and prioritisation. While a pragmatic approach, it is important that strategic system planners have sight of what authorities would build were the network not a constraint. This will ensure that plans are not constrained by what is currently built or affordable, and will encourage the buildout of the network to support local ambitions. Given the appropriate level of evidence, DNOs (and in future, RESPs) will then be responsible for ensuring the electrical capacity exists in time for decarbonisation projects to connect to the network.

Similarly, project prioritisation carried out in some local net zero plans bakes in the cost of expanding the distribution network. This carries risks to accurately reflecting local ambitions, as network intervention cost assumptions may deprioritise otherwise strong decarbonisation opportunities which are in the local interest.

Local net zero plans should focus on areas where local government has core competencies – such as identifying strategic area needs, setting investment priorities (particularly for new ‘strategic authorities’) and providing clear pathways for project delivery. This approach can give energy networks and RESPs the confidence needed to invest proactively in infrastructure.

Strategic planning in the energy system

Figure 4:
Projected electricity system demands under net zero compliant FES pathways.



Source: NESO Future Energy Scenarios 2024, Table ED.1
Data item "GBFES System Demand Total"
Hydrogen Evolution, Electric Engagement and Holistic Transition Pathways used for range.

NESO forecasts a 2.5-fold increase in annual electricity demand by 2050 under net zero scenarios (see Figure 4), due to heat, transport and industrial electrification.¹ This necessitates rapid capacity expansion by electricity network operators. At the same time, gas networks are expected to contract and should do this in a coordinated manner.

Previously the energy networks have been upgraded in a reactive manner, with limited long-term strategic and anticipatory investment. DNOs' current investment plans are sometimes seen to prioritise least-cost upgrades over local ambitions. However, this approach now risks the delivery of net zero, with electrical capacity not able to keep up with demand. To address this, the planning of the energy system is now shifting to a more strategic approach, including:

- **SSEP** (Strategic Spatial Energy Plan) for transmission system investment
- **CSNP** (Centralised Strategic Network Plan) for distribution and transmission coordination
- **RESP** (Regional Energy Strategic Planners) to coordinate sub-national delivery.

Before these are implemented, the government's Clean Power 2030 plan and the DNOs' DFES will guide near-term strategic network investment.

> **Next step** **Developing iterative, tailored net zero plans**

We have concluded that there would be value in developing a more explicit iterative process at the heart of net zero planning approaches.

Tailoring approaches according to the spectrum of roles a local authority can adopt (“Enable, Embed, Enact”), and how these may evolve over time, will be a central consideration of this.

We will continue detailed research around what this could look like, drawing on the Net Zero Living experiences and the knowledge of industry experts.

Among this, we will also aim to develop a clearer definition of the purpose of net zero plans, to avoid duplication and maximise positive impact. This will include interactions with stakeholders such as NESO and Ofgem, to gather insight on how best iterative, tailored net zero plans could interface with strategic network planning processes – such as RESP, CSNP and SSEP.

Findings will be published later in 2025.

From analysing the experiences of the Net Zero Living participants and other councils that have developed LAEPs and other decarbonisation pathway plans, it is clear that net zero is an ongoing process rather than a static product or report.

Priorities, powers, funding, delivery capacity technologies, and wider decarbonisation goals are constantly evolving within local areas. Likewise, the energy system planning landscape is evolving rapidly, and further research into how local authorities can be best placed to influence the RESP, SSEP and CSNP is required.

Our research has shown that net zero plans could be better tailored to local authority delivery roles and ambitions (using an approach like the “Enable, Embed, Enact” framework). Approaching this iteratively would allow the developing capacity and conditions of local authorities to be incorporated too, and could involve steps shown on the following page.



Example steps

Initial actions

1. High-level, cross-sectoral analysis

An analytical process involving emissions and energy use baselining across the region, as well as spatial modelling of the requirements of net zero across sectors including heat, transport, power generation and others relevant to the local context. This will help articulate the scale and pace of change required, allowing the development of a shared understanding and leadership buy-in.

2. Defining the interaction of key themes with statutory responsibilities

Several of the components of net zero implementation have strong interactions with other responsibilities of local government. These should be identified early, to begin the processes required for collaborative plan development. This is especially relevant for local authorities with responsibilities for planning, local plans, transport planning, etc.

Iterative net zero planning

3. Identifying priorities

Engaging with internal and external partners (including community groups) to set priorities for local authority action, environmentally, economically or socially, focusing on near-term opportunities and where funding/support is available.

4. Enable, Embed, Enact: Defining the role and ambition of the local authority

The role of the local authority in delivering strategic ambitions can vary across action areas (see section 2.1). The local authority could use high-level analysis and stakeholder engagement for each sector to determine the extent to which it will enable decarbonisation, embed it in its existing delivery, or enact projects or investment itself.

5. Thematic progression of plans

Detail of the plan will be enhanced here, taking varying approaches based on the anticipated delivery role of the authority. This allows resources to be focused pragmatically.

Enable: Use of the high-level analysis to inform collaboration with external parties able to deliver on relevant strategic ambitions and collaborative plan refinement.

Embed: Progression of the strategic areas to be embedded in authority delivery, especially focusing on aligning net zero planning with other strategic plan development processes.

Enact: More detailed analysis, focused on identifying tangible, investible project opportunities in action areas where the local authority will take a leading role.

6. Share plan outputs with energy system stakeholders – DNOs, RESPs, SSEP, etc.

Ongoing process of communicating local needs to the electricity and gas distribution networks, where councils are stakeholders representing wider local interests. In turn, energy system stakeholders will feed back network planning insight and analysis, allowing collaborative refinement of plans.

7. Review and iterate

Iterate approach (stages 3-6) and delivery on a regular basis to reassess their role in various sectors as conditions changes, and to reaffirm or update strategic or political priorities

Figure 5 shows a high level illustration of the process described on page 24. Steps one and two are potential initial steps, while steps three to seven represent the iterative development of tailored net zero plans.

High-level, cross-sectoral analysis

Defining the interaction of key themes with statutory responsibilities

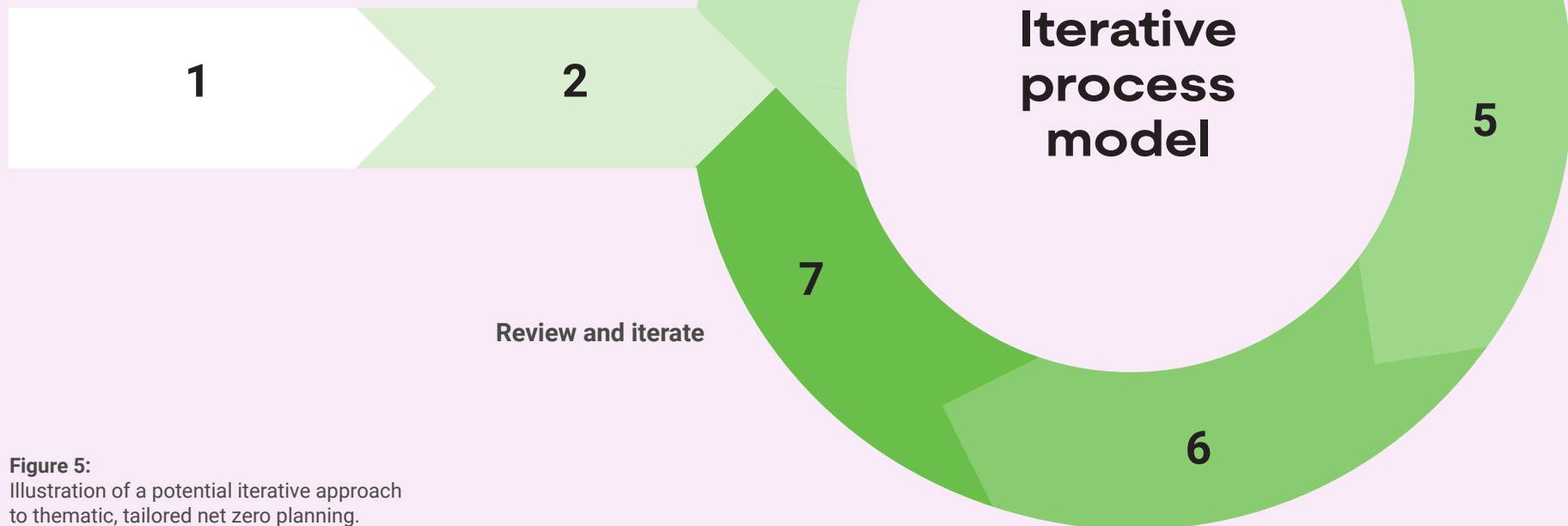


Figure 5: Illustration of a potential iterative approach to thematic, tailored net zero planning.

3

Enabling Ecosystem



3 The enabling ecosystem

Case studies from Net Zero Living have emphasised that an ‘enabling ecosystem’ is the critical factor in action and successful delivery.

Presented as a hierarchy, the enabling ecosystem sets out the various actions local authorities need to consider alongside developing analytical net zero plans. Some elements, at the bottom of the pyramid, are foundational to all local net zero implementation, while others are more aspirational and relevant to authorities seeking to enact plans directly.

There are strong interactions between layers. Iterative planning will strengthen the foundations by developing a shared understanding of net zero, which in turn will empower authorities to strive towards delivery where relevant.

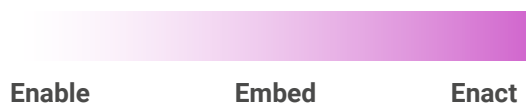
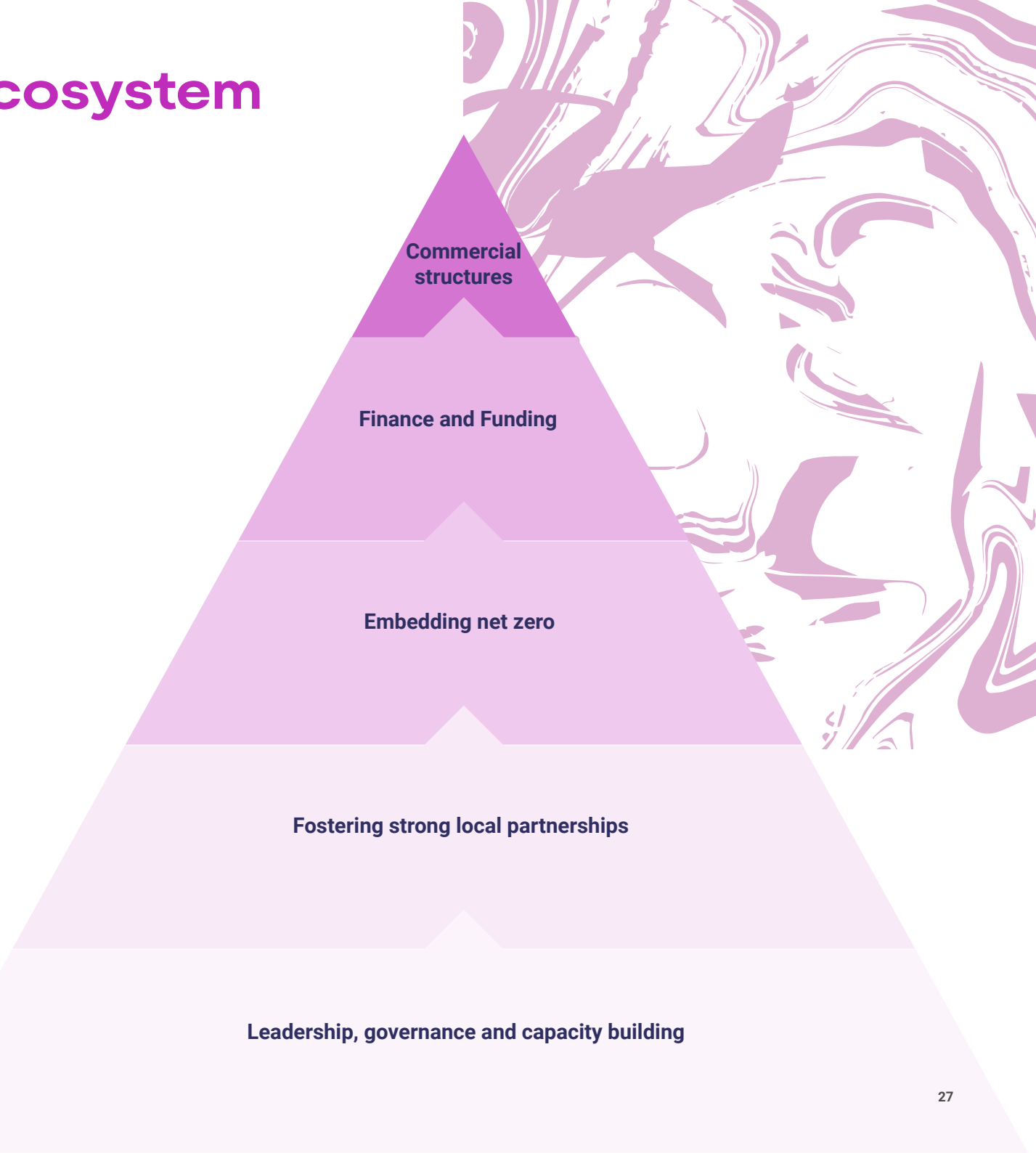


Figure 6:
The key elements of the ‘enabling ecosystem’.



Net zero plans help local authorities develop and articulate their local objectives – but a plan alone will not lead to net zero delivery.

Case studies from Net Zero Living have emphasised that an ‘enabling ecosystem’ is the critical factor in action and successful delivery. In order for a net zero planning process to produce deliverable or actionable outputs, our research has found that there are a range of other enablers which need to be developed alongside plans.

Figure 6 shows some of the key components of the enabling ecosystem, represented as a hierarchy. Some elements are foundational, while others are aspirational, reflecting increasing levels of ambition and capacity which are required as the delivery role of the authority increases.

For instance, a council that aligns its existing responsibilities with net zero objectives, establishes robust governance structures and secures strong leadership buy-in is likely to be better positioned to utilise a net zero plan effectively than one that has not.

Similarly, place-based net zero plans that account for an area’s unique needs and capacities (as discussed in Section 2) provide a solid foundation for identifying additional capacity requirements, attracting investment and developing commercial partnerships and delivery structures.



The enabling ecosystem is described in greater detail in the following sections.

- 3.1 Leadership, governance and capacity building**
- 3.2 Fostering strong local partnerships and convening stakeholders**
- 3.3 Embedding net zero in existing responsibilities and building capacity**
- 3.4 Funding and finance**
- 3.5 Commercial delivery structures**

3.1



Leadership, governance and capacity building

Enable: Strong leadership and governance empower authorities to drive decarbonisation locally.

Embed: Senior buy-in, skilled staff and governance will allow authorities to embed net zero in their organisation.

Enact: Clear leadership is needed for delivery, with governance supporting accountability throughout.



Leadership, governance and capacity building sit at the base of the pyramid as they are fundamental, underpinning enablers for any level of net zero implementation by a local authority.

It is important to note that the pyramid is not illustrating a linear, step-by-step process – opportunities to influence and build stronger leadership will grow the more detailed planning and action is carried out, while governance structures will need to evolve depending on the specific role of the local authority in relation to its partners.

Leadership buy-in is related to local authority capacity development in many cases. Embedding net zero in council functions will require staff to expand their competencies and evolve approaches. This is only possible with the appropriate support, and is a prerequisite to many of the other enablers discussed in this report. Likewise, informed decision making around net zero within council departments requires upskilling and capacity expansion in many cases.

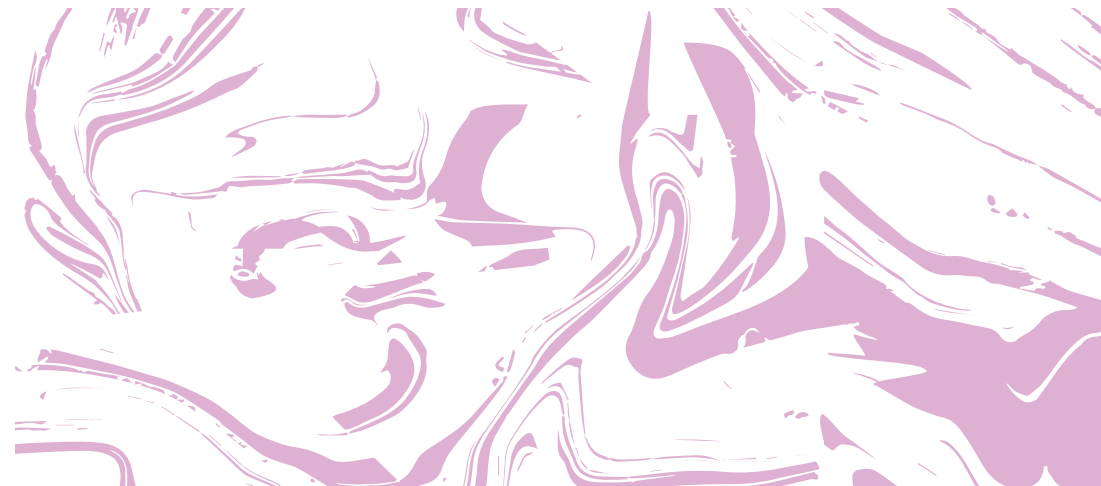
All stakeholders interviewed emphasised the critical need for strong leadership and senior-level buy-in for net zero, from internal managerial leadership to executive and political leadership.

It was also noted that key benefits of producing net zero plans include their ability to highlight opportunities, create a shared vision for the area, and facilitating activities which develop support from leadership and councillors. Plans developed iteratively will allow for continuous strengthening of this theme.

With leadership comes the need for effective governance. Many of the Net Zero Living local authorities have established strong internal governance structures to develop, scrutinise and deliver decarbonisation and net zero plans, particularly for actions required on their own estate.

Many authorities, such as Perth and Kinross Council and GMCA, have also established external governance bodies which bring together the private and public sectors into groups such as climate partnerships to focus on reducing area-wide emissions. These wider bodies are being used to identify and highlight enabling actions that the local authority could take (such as developing supportive policies and convening interested groups) to support changes in sectors or businesses outside of council control.

The specific requirements of governance will need to be tailored to the level of action being taken by the local authority: enabling will require interaction with external delivery partners to ensure accountability, while embedding will require building on existing council delivery structures, strategies and processes. Enacting, meanwhile, will likely require a different approach again, with project- or sector-specific considerations linking to commercial partnerships, delivery structures and financing at the higher tiers of the pyramid.



3.2



Fostering strong local partnerships and convening stakeholders

Enable: Strong partnerships and policies empower others to deliver net zero.

Embed: Stakeholder input ensures equitable, feasible measures for embedding net zero in local authority activities.

Enact: Community support drives success for net zero infrastructure projects.

As discussed in section 2.1, net zero planning activities are best when clearly informed by local priorities.

Stakeholders are another foundational, underpinning principle at the base of the pyramid (i.e. something to be considered across all themes of net zero delivery, irrespective of the specific role of the council). This is consistent with the Energy Systems Catapult's LAEP methodology, which requires iterative, detailed stakeholder engagement from the outset and throughout the development of a plan.

Developing strong relationships with local partners is important if a council is to be effective at enabling others to deliver by constructing supportive policies and convening decision makers. Analysis in high-level net zero planning will go some way to identifying actionable priorities for the local authority, but specific action should be guided by detailed stakeholder input.

Embedding net zero delivery into local authorities' existing activities also requires stakeholder input, both internal and external. All areas of existing local authority services or delivery (like transport or spatial planning) have tangible impacts on the local community. Understanding equitable, feasible routes towards net zero in these services will need to be informed by local partners in the private sector, community groups and citizens.

Finally, enacting a project also presents clear needs for involving the priorities and opinions of local communities and businesses as supportive communities are important for any infrastructure or investment project. See the information box 'Delivering co-benefits to communities' on page 32 for further insight on some approaches to achieving this. The Leicestershire 'Collaborate to Accelerate Net Zero' (CAN) project is actively engaging community energy organisations to ensure the project prioritisation from its LAEP is aligned with local priorities and delivers strong benefits. Oldham Council's CLEP approach is achieving similar. Both projects are funded by the Net Zero Living programme. Both projects are funded by the Net Zero Living programme.

Delivering co-benefits to communities

Local authorities are typically looking to deliver co-benefits to their constituents which are additional to net zero. For example, shared ownership of renewable generation assets presents significant opportunities for inclusive infrastructure development with equitable benefits distribution, which could be cost neutral to developers.

Regen's recent paper 'Sharing Power' explores the current landscape for shared ownership in detail, and lays out future opportunities for communities and local authorities.¹² Chief among these in the near term is GB Energy and the upcoming Local Power Plan. The founding charter of GB Energy outlines an aim to have 8 GW of community-owned renewable energy production, explicitly referencing opportunities for shared ownership between private developers, communities and local areas.



Through engaging local stakeholders in net zero planning, local authorities can work with developers and communities to identify opportunities like shared ownership, which will ensure that net zero project delivery provides tangible benefits to local residents, and is not seen to be extractive and disruptive.

3.3



Embedding net zero in existing responsibilities

Enable: Net zero alignment in core authority strategy and policy enables other actors to progress projects.

Embed: Strong foundations (leadership, workforce capacity and partnerships) allow net zero to be embedded successfully.

Enact: Embedding net zero is crucial so that other priorities are not a barrier to project development.

Embedding net zero in existing council strategy and delivery processes is an important area of action for all councils.

Net zero is a complex, cross-cutting issue which demands substantive change across almost all activities. For councils like Westmorland and Furness, which have climate as a key council priority, the objective is that net zero is not a competing, siloed priority, but an underpinning theme, akin to health and safety.

For example, spatial planning, transport planning and spending, housing, waste management, biodiversity, land use change and education are all the subject of detailed strategic planning and spending (depending on the scale of an authority). These generally exist separately and sometimes in support, but also in tension, with net zero ambitions. However, aligning and embedding net zero into these activities is critical.



One area of interest to councils is the interplay between net zero plans and spatial planning. Currently, no formal link exists, which can mean that statutory Local Plans do not clearly support the development activities identified in a net zero plan. This can be a significant bottleneck to decarbonisation. As referenced in section 2.1, the interplay between spatial planning and local net zero planning is the subject of a separate research project by Regen and the RTPi, and will be published later in 2025.

A key facet of the tension between net zero priorities and other parts of council delivery is that net zero itself is not currently a statutory responsibility for local areas. We have heard from stakeholders that implementation of some form of net zero duty or responsibility for local authorities could be beneficial. In addition, the Climate Change Committee report 'Spatial Planning for Climate Resilience and Net Zero' highlights the need for stronger statutory requirements to embed climate action into all aspects of planning.¹³ However, defining what such a legal requirement would look like is challenging due to the cross-cutting nature of net zero.

Nonetheless, the current status of net zero in local government as a 'nice to have' sits at odds with the urgency of climate action which so many councils recognise. The significant constraints on funding and personnel which local authorities already face make the realities of net zero delivery highly challenging, as activities and spending must be prioritised towards legally binding requirements. Despite the potential complexity of introducing climate responsibilities at a local level, there has been increased interest in what these could look like. For example, the Local Government Association is now broadly supportive of climate-related statutory duties and will be conducting detailed research.

However, even without a statutory net zero requirement, there are many opportunities that councils are already pursuing to embed net zero goals into existing structures and responsibilities.

“We need to be more joined up internally between departments and services, as frequently we don’t know what each other are doing and, at worst, we are actively pursuing policies that are working in the other direction – for example, selling off land and buildings that might be suitable for renewable energy.”

Graham Pinfield, Perth and Kinross Council



3.4



Funding and finance

Enact: Access to capital and non-competitive funding is crucial for equitable local project delivery.



Towards the top of the pyramid is funding and finance.

Our previous research showed that only a small proportion of completed local net zero plans had delivered specific projects, often due to constraints in organisational and financial capacity in local authorities, and the challenge of finding internal consensus on the authority's role in delivery and deployment.

While climate officers may hold ambitions for their local authority to deliver net zero projects locally, many struggle to engage key decision makers. Local authority-led delivery may require innovative financial mechanisms and/or developing public-private partnerships, which would require sign-off from finance team leadership. Finance teams, meanwhile, are often grappling with funding existing statutory services and are unclear on the extent of the authority's mandate to act on decarbonisation projects. This shows a clear link to lower levels of the pyramid, highlighting the importance of embedding net zero in council functions, and the underpinning nature of strong leadership to achieving more ambitious components of net zero delivery.

In assisting local authorities to understand the specifics of the net zero transition, net zero planning activities should allow local authorities to develop and understand their delivery role across sectors, as highlighted in section 2.1. This can then inform wider council departments and increase the likelihood of the correct types of finance and funding being made available for the specific needs of local net zero progress. This highlights the importance of iterative plan development to building a strong enabling ecosystem.

Accessing finance

Since 2022, the National Wealth Fund's (NWF, previously UK Infrastructure Bank) Local Lending Service has made £4bn available in low-cost loans to local authorities across priority areas intrinsic to net zero, including clean energy, transport and waste. While cheap debt is available from NWF, the Public Works Loans Board and other prudential borrowing methods, local authorities have cited the current lack of 'at-risk' development capital to carry out project origination, identification and feasibility work that net zero planning activity can, and should, catalyse.

Net zero projects frequently involve major infrastructure and have significant capital requirements. In cases where local authorities are borrowing to directly fund a project, or acting as an investor themselves, stakeholders emphasised the need for credible plans and strong council leadership to drive action. Access to private capital and/or cheap debt requires certainty in the details and feasibility of a prospective project, as well as in the ability of a local authority to deliver. Robust development of the lower tiers of the pyramid alongside relevant detailed analysis of the project opportunity in question improves the delivery capacity of an authority and, therefore, acts to de-risk investment and lending. A robust enabling ecosystem stands authorities in the best stead for achieving internal finance approval and attracting external financial support.

Past successes and future opportunities

Many examples of successfully delivered net zero projects in our previous research were heat network developments, which used central government resources and funding provided through the Heat Networks Delivery Unit and Heat Network Zoning. Another example is the Local Electric Vehicle Infrastructure (LEVI) fund, which supports unitary and combined authorities in developing charging infrastructure for electric vehicles.

GB Energy is being established by the government to support clean energy initiatives, and the government has also pledged that the Local Power Plan will deliver 8 GW of locally owned renewables.⁵ Through this, the government has pledged up to £400m per year in low-interest loans to communities for energy projects, alongside up to £600m per year in local authority grants.¹⁴ These present significant opportunities for local authorities to deliver on their net zero ambitions, though the specifics remain uncertain.

In addition to direct policy support, we have heard from stakeholders that longer-term non-competitive funding is critical to successful local authority-led delivery. The strategic authorities proposed by the English Devolution White Paper, which sit "at the heart of making Britain a Clean Energy Superpower", may receive devolved funding for areas such as the Warm Homes Plan, Local Power Plan and retrofit.⁷ The details of this are still emerging, but it has the potential to provide longer term and more certain funding for critical decarbonisation projects in many parts of the country, which is a welcome shift in policy approach.



Further work through Net Zero Living

The Net Zero Living programme is building a broad range of evidence and insights on effective governance for local net zero financing through its expert partners on finance and investment: City Science and Bankers without Boundaries.

City Science is developing a thorough model to assist climate officers in local authorities with understanding how the considerations involved with accessing finance for net zero change depending on its chosen delivery role. This will be published later in 2025 and will help to inform the next stages of our research into the enabling ecosystem.



Commercial delivery structures

Enact: Local authorities have multiple routes to commercialising project opportunities in their area.

At the top of the pyramid are commercial delivery structures. These become important considerations for local authorities in action areas where the local authority is enacting projects, thus adopting the most responsibility and risk.

While not all local authorities have the capacity or ambition to enact net zero projects directly, those that do recognise that they are not always the most effective bodies to lead large-scale delivery. There is often a role for public-private partnerships, which are likely to have characteristics specific to the type of project, local authority risk appetite, etc.

The Leicestershire CAN project is a Net Zero Living project looking to explore various public-private delivery models, in collaboration with its partners De Montfort University and the Energy Systems Catapult. These range from councils acting as conveners of stakeholders (enablers) to the use of delivery-focused Special Purpose Vehicles (SPVs) operating independently outside of the council organisation but with oversight from local government officials.



Although progress is being made in securing finance and funding for local authorities, through initiatives like Warm Homes and LEVI funding, as well as organisations such as the NWFund and GB Energy, there is an opportunity to develop additional models of delivery bodies that local authorities could establish.

For example, local authority initiatives such as Bristol City Leap have used partnerships or concessions to deliver key projects, bringing in private finance to support local decarbonisation projects. However, Bristol City Leap required substantial resources to create and launch, making it a challenge for other areas to replicate.

In 2023, DESNZ announced a £19m pilot programme which seeks to understand how combined authorities could attract private sector capital to invest in its local net zero pipeline. The Local Net Zero Accelerator programme (LNZA) includes pilots in West Midlands, Greater Manchester and a third in York & North Yorkshire Combined Authority, designed specifically to understand how to replicate the model pioneered by Bristol and evaluate the opportunity in its own regional context. If successful, there could be potential for further central government support for councils looking to create these types of public-private partnerships.

DESNZ and Innovate UK are working collaboratively to share knowledge and insights across both the LNZA and Net Zero Living programmes, pooling learnings across a diverse range of places and across local authority tiers.



Further work through Net Zero Living

A research collaboration between the DESNZ LNZA programme and Net Zero Living partners (City Science and Bankers Without Boundaries) is delineating multiple possible commercial structures for local authorities. This will provide guidance on the advantages and drawbacks of several models, including in-house direct delivery, the creation of SPVs, joint ventures (e.g. public-private partnerships and shared ownership), tendering framework agreements, working with strategic delivery partners and outsourcing delivery to external partners and consortia. The paper will set out in detail the specifics of each structure and the cases in which each may be most appropriate.

> Case study Leicestershire County Council

Collaborate to Accelerate Net Zero (Leicestershire County Council, De Montfort University and Energy Systems Catapult)

Leicestershire County Council saw developing a LAEP as a way to improve local understanding of net zero and drive decarbonisation efforts.

However, several barriers were identified that could limit a LAEP's effectiveness if not addressed simultaneously, including resource constraints, siloed working, governance gaps – particularly for large projects – and senior leadership engagement.

With Net Zero Living funding, the council and partners are delivering the Leicestershire CAN project to enhance LAEP value and improve delivery success through several workstreams.

Governance

Alongside De Montfort University, the council is developing governance strategies for local net zero projects. The council's roles will range from an enabler and convener to commissioning SPVs for project delivery. These SPVs, accountable to the council but separate from daily operations, could enable faster delivery with reduced political influence. Strong governance will be vital for successful delivery and investor confidence, as private capital is crucial to the council's net zero goals.



Community energy and co-benefits

Leicestershire CAN is integrating community energy organisations into its delivery planning to ensure local, tailored decarbonisation benefits for residents. This approach not only supports a just transition but also helps secure political leadership support.

Business advisory services

Leicestershire CAN engages local businesses and prioritises local partners and supply chains for net zero projects. This approach helps address resource gaps while also delivering economic benefits by involving businesses in the local energy transition. Leicestershire CAN is successfully delivering a LAEP with a strong focus on project delivery, addressing both technological and non-technological barriers. The project is establishing solid governance structures, drawing on local ambitions and constraints across different local government functions, delivering tangible community benefits, and designing appropriate public/private delivery bodies.

For councils developing net zero plans, the Leicestershire CAN programme highlights the importance of governance, partnerships, capacity building and local prioritisation alongside the development of a net zero plan.

> Next step

Develop framework for local authorities to build appropriate enabling ecosystems

Develop the 'enabling ecosystem' concept, and create a strong linkage with the proposed iterative development of net zero plans themselves.

As described in this report, we consider the role of local authorities (Enable, Embed, Enact) to be central to the development of the enabling ecosystem itself, so that the required resource and focus is proportionate to the risk being shouldered by the authority.

As plans gain detail, local authorities will develop the required enablers alongside, making project delivery more likely.

This will primarily draw on further input from Net Zero Living participants and practitioners to refine the thinking and add further detail of existing approaches to each component of the enabling ecosystem. The research will draw on the various commercial models and funding routes identified in the collaborative research between Net Zero LNZA and emphasise the importance of the local authority's role in deciding the most appropriate approaches.

Findings will be published later in 2025.





Our research suggests that the hierarchical themes of the enabling ecosystem are fundamental to the success of local authorities in achieving ambitious net zero targets, and should be tailored to an area based on the specific mix of roles it opts to take on in net zero delivery. Projects such as Leicestershire CAN demonstrate the ways in which a plan like a LAEP can be developed alongside factors which will improve and enable deliverability.

It is our view from this research that local authorities should adopt a holistic approach which considers not only what a local area needs to build to achieve net zero, but how it can feasibly and pragmatically do so.

This includes recognising areas where the authority is not best placed to deliver, so that appropriate governance and financing plans can be established alongside project identification, as well as robust community engagement to ensure net zero is aligned with an area's priorities and maximises the co-benefits delivered to the community.

Further workshops and an output published later in 2025 will explore this concept further.



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Enable Embed Enact

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Issue date:
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Report by:
Andrew Barry,
Senior Analyst, Regen

Approved by:
Poppy Maltby,
Head of Local Energy, Regen

Reviewed by:
Sophie Kempthorne,
Innovation Lead – Local Net Zero
Investment, Innovate UK

Paul Wedgwood,
Associate Director, Carbon Trust

Regen
Bradninch Court,
Castle St,
Exeter EX4 3PL

