



# Delivering Place-Based Net Zero

Local Net Zero Accelerator, Net Zero  
Neighbourhoods and the LNZA Finance  
Support Service

11 March 2025

Energy Capital Spring Event

# Today's session

1. **What is LNZA?**  
Barbara Leach, LNZA Programme Manager
2. **Supporting projects to become investment-ready**  
Dominic Taylor, LNZA Project Pipeline Lead
3. **Options for an investment vehicle**  
Dornah Bor, LNZA Programme Manager
4. **Demonstrating impact**  
Ian Jones, LNZA Outcomes Lead
5. **Ensuring community co-design – Net Zero Neighbourhoods**  
Alex Gordon, Net Zero Neighbourhoods Project Manager
6. **The LNZA Financial Support Service**  
Alex Rathmell, Greater South East Net Zero Hub
7. Q&A
8. Informal table sessions followed by networking



West Midlands  
Combined Authority

**ENERGY**  
**CAPITAL**

# What is LNZA?





## Project report

### Pathfinder Places Programme

Creating a Market for Place-based OutcomeS (CAMPOS)

Project partners:  
Energy Capital at West Midlands Combined Authority  
Bankers without Boundaries  
Dark Matter Labs



“We recommend proceeding with Phase 2 to test and implement outcomes-based financing as a highly innovative way of extending and increasing much needed investment into our neighbourhoods and homes.”

## KEY FINDINGS

- Outcomes-based funding has significant potential
- Its role could increase over time as it becomes more established and outcomes are easier to capture
- Of all the measures, carbon has greatest immediate potential
- But the cost of outcomes monitoring must be reasonable

# Net Zero Living

Innovate UK's £60 million, three-year Net Zero Living programme aims to help regional authorities and businesses accelerate the transition to net zero, across the UK and internationally.



Net Zero  
Living website



## Remove barriers

Remove non-technological barriers which stand in the way of the rapid scale-up of net zero solutions. These include issues such as citizen engagement, financing and governance processes.



## Increase innovation

Support businesses and places to develop innovative solutions which will drive widespread business growth and innovation across the economy.



## Unlock investment

Explore and develop financing models for net zero which will unlock significant additional private investment, to enable true levelling-up both between and within places.



# Net Zero Living locations

Projects exist across the UK, in every devolved nation. The map below shows geographic location of each of 52 places on the Net Zero Living programme.

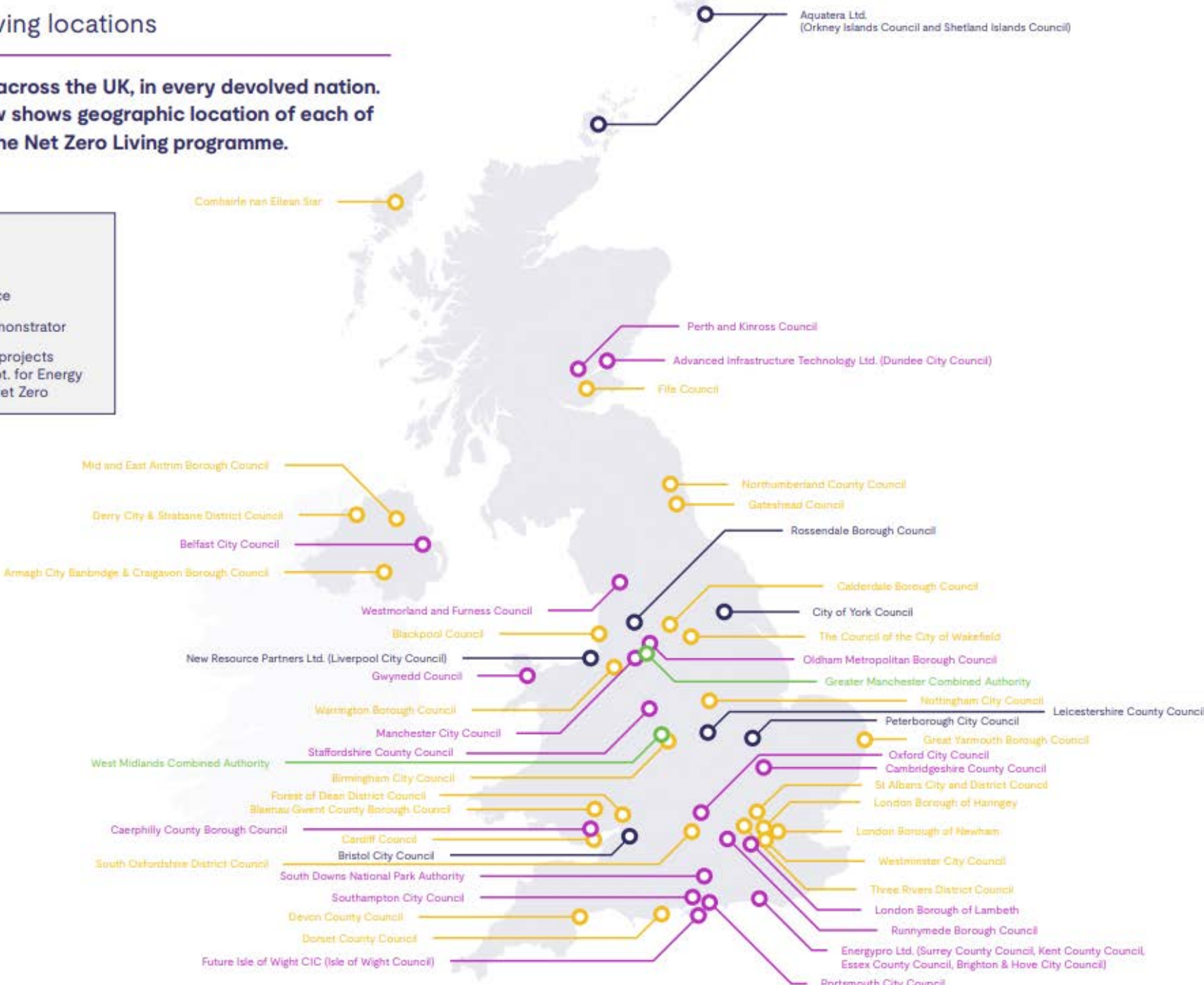
Key

Fast Follower

Pathfinder Place

Pathfinder Demonstrator

Demonstrator projects funded by Dept. for Energy Security and Net Zero



Future Ready  
Net Zero Living  
Annual Report  
2024

Demonstrating that local, place-based approaches not only work but are investable

Reducing carbon emissions is primary goal but co-benefits are also important

Tackling known barriers to accelerate progress towards net zero

Community co-creation as a key principle

Not just in the West Midlands – lessons will help **all** LAs and CAs

Collecting project-specific data on energy use, energy costs/income and health and wellbeing benefits

Energy, transport and green space improvements in scope

Storing impact data and making it accessible to investors and others

**LNZA**







**Supporting**  
projects to  
become  
investment-  
ready



**Developing**  
options for a  
West Midlands  
investment  
vehicle



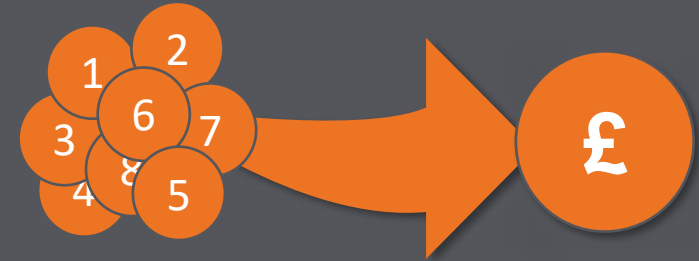
**Designing** the  
capture,  
recording and  
sharing of  
outcomes data



**Delivering** with  
LA partners a  
new wave of  
Net Zero  
Neighbourhoods

# Supporting projects to become investment-ready

Building a strong regional pipeline and helping  
projects to progress through it



# Building a Project Pipeline



Fill a pipeline with NZ projects from a range of sponsors - LAs, developers, community groups, business owners, associations or groups



Take projects from idea to start of delivery, or anywhere in between

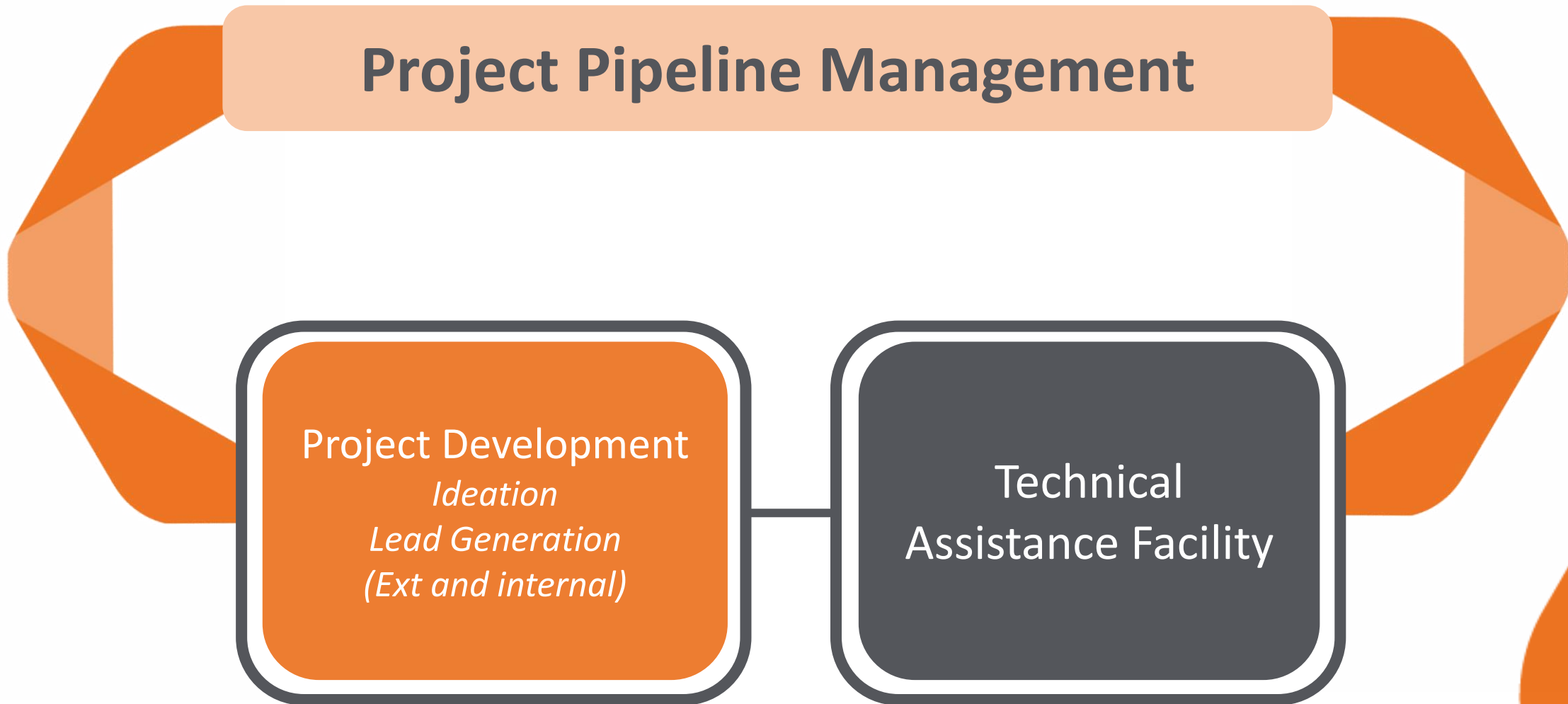


Create opportunities for idea generation



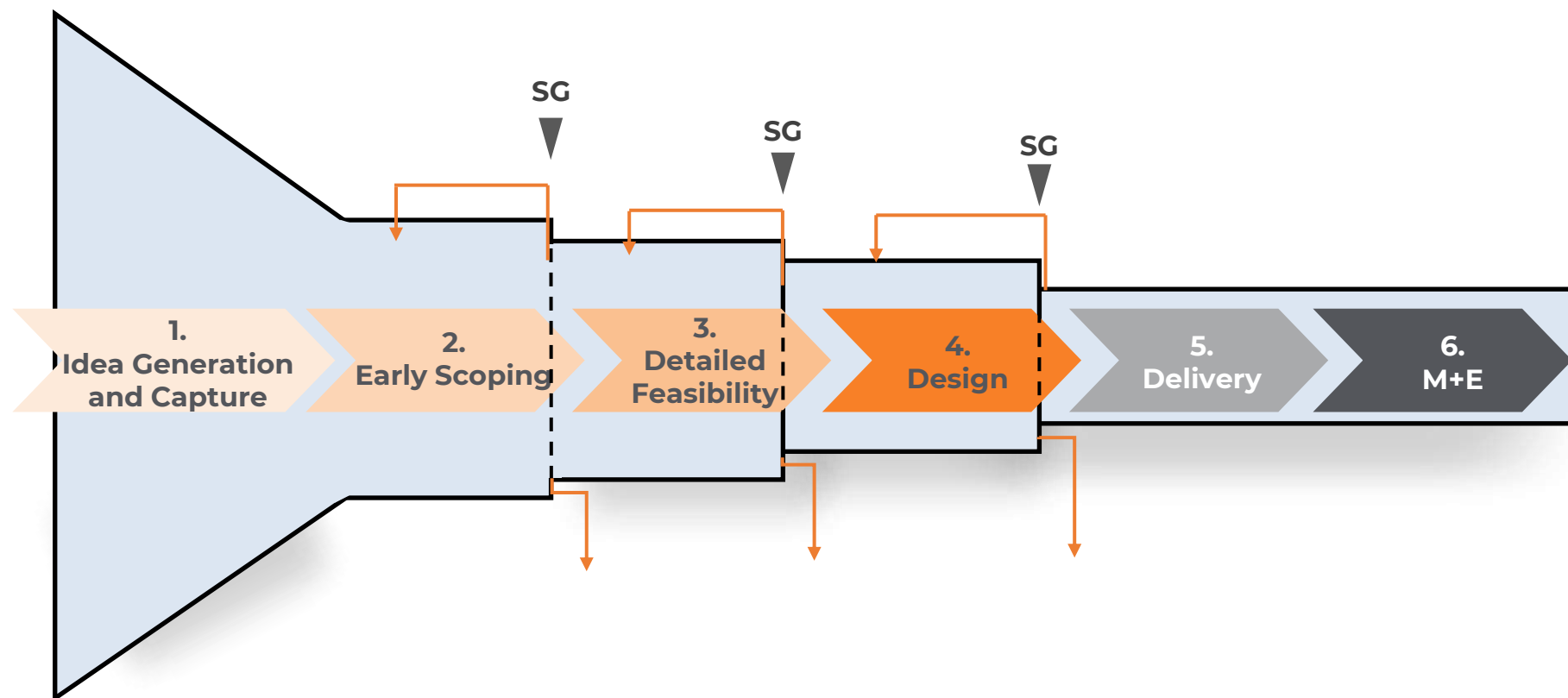
Create a *Technical Assistance Facility* to support projects

# Setting up a Project Pipeline and TAF



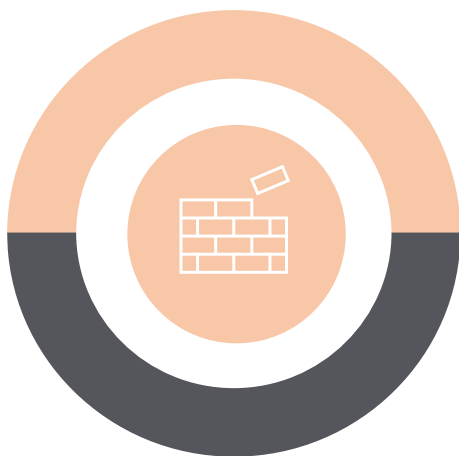


# Creating a Project Pipeline



»»» Funds for a number of projects in 2025/26

# Technical Assistance Facility



## Capacity building for project owners

- Interims
- Training
- (Money)
- Information/advice



## Technical, legal, planning, regulatory, and other advice and support



## Centre of expertise for sources of funding and finance

# Technical assistance – development capital



# Call to action

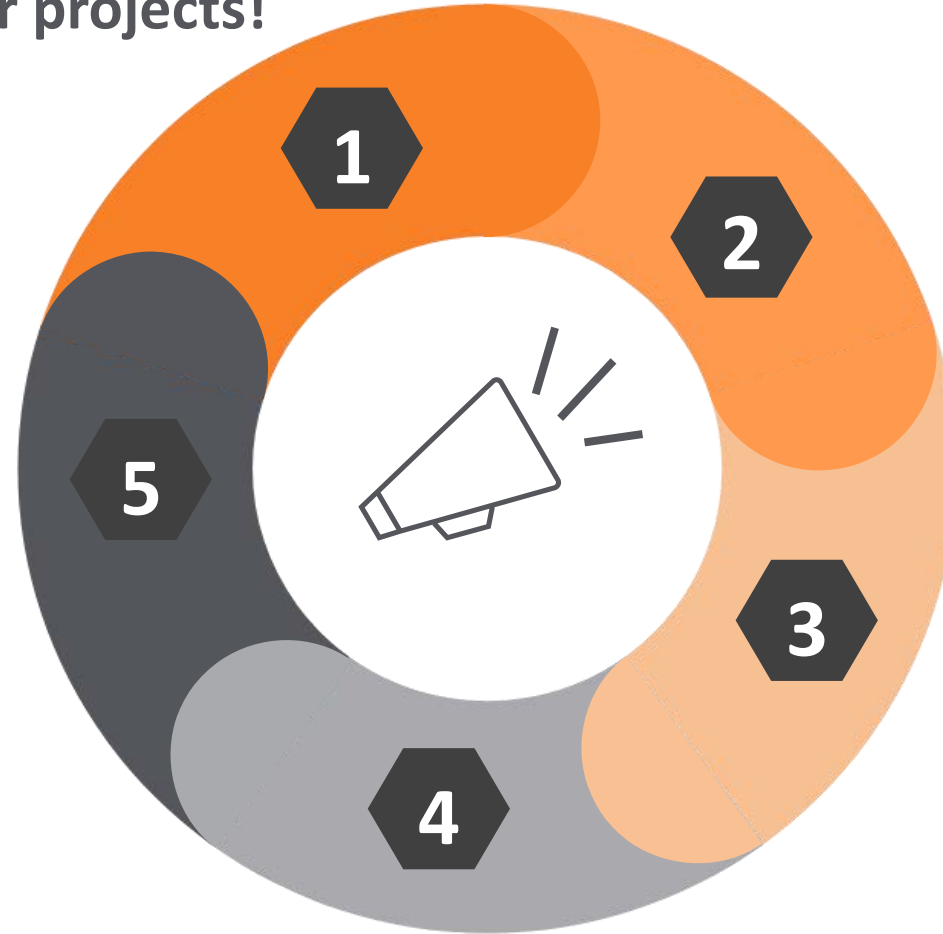
**Bring out your projects!**

**Tell us your priorities for  
Technical Assistance**

**Come to our table to tell  
us what we've missed**

**Tell us the major barriers  
to creating and progressing  
projects**

**What schemes do you have experience  
of - what has worked well in the past**



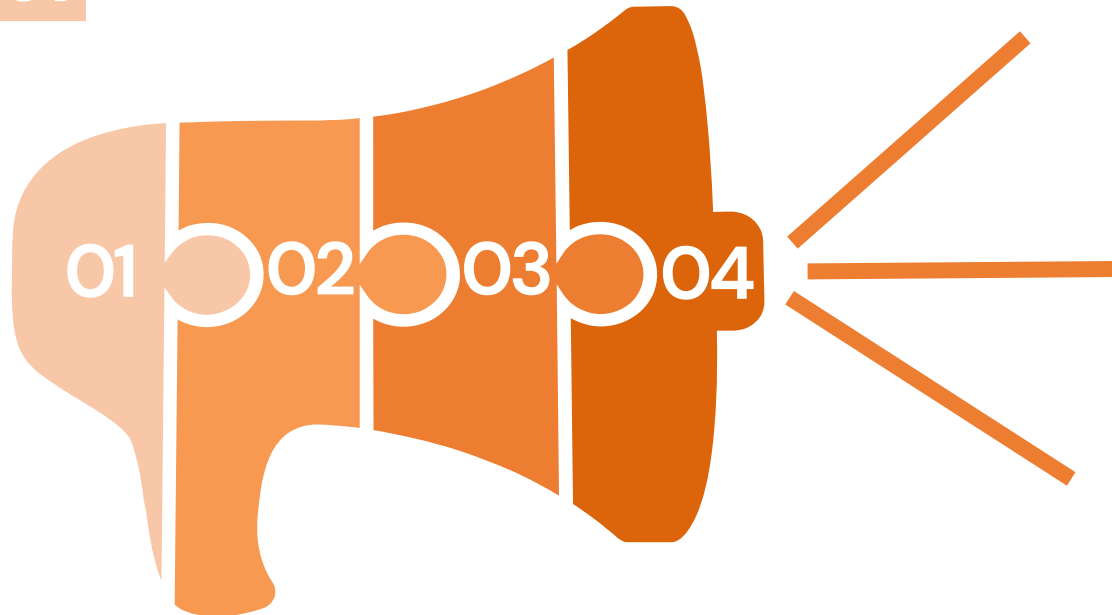
# Community Energy

## What is community energy?

Community energy is about **empowering** people and communities to take active control over their energy future. This involves understanding, generating, using, owning, and saving energy within their communities, while promoting collaboration on a regional and national scale. This can include anything from installing solar panels on community buildings to developing local resident's buildings up to EPC C.

## Why is it important?

- 01** Community co-design
- 02** Support the grid
- 03** Ensures local flexibility
- 04** Just equitable energy transition





# Community Energy



Discussed with  
community  
groups what sort  
of assistance they  
need

We have...



Discussed the  
projects they are  
want to run in the  
future



Identify some  
projects that will  
fit into the  
project pipeline



Support a  
community  
energy project  
through the  
project pipeline,  
via the technical  
assistance facility.

We hope to...



Gain a better  
understanding of  
what support  
community  
groups need and  
use this to grow  
community  
energy in the  
region.

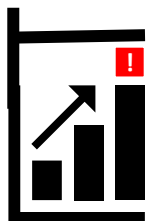
# Options for an investment vehicle



# Principles



Less need for public funding – we use it to leverage private capital, and only if needed



A design which enables financing of projects that are critical to achieving a fair transition but which fall below the market rate profitability



Local government influence over the investment strategy, but likely not the main decision-maker  
To make sure the vehicle addresses the local net zero funding gap



Robust governance  
To reassure investors

# Programme of work

- |                    |                                                                                                                                                                                                                                                                                                                                                          |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| June 24 – March 25 | <ul style="list-style-type: none"><li>• In-house research</li><li>• Design of a front-runner option</li></ul>                                                                                                                                                                                                                                            |
| March 25 – June 25 | <ul style="list-style-type: none"><li>• Work with National Wealth Fund</li><li>• Procurement of expert advisers</li><li>• Further work on outcome and impact investors</li></ul>                                                                                                                                                                         |
| June 25 – March 26 | <ul style="list-style-type: none"><li>• Review and expansion of WMCA thinking by expert advisers</li></ul> <p>creation of long list of options</p> <ul style="list-style-type: none"><li>• Long list → short list</li><li>• Short listed options worked up in detail</li><li>• Consult with likely investors</li><li>• Options paper finalised</li></ul> |
| Post March 26      | <ul style="list-style-type: none"><li>• WMCA decision on which option to stand up (if any)</li></ul>                                                                                                                                                                                                                                                     |

# Look out for engagement opportunities

Summer 2025 – engagement on long list of options

Autumn/winter 2025 – engagement on short list of options



# Demonstrating impact

The DataLeNZ outcomes data platform



# Data Outcomes

## What are we doing?

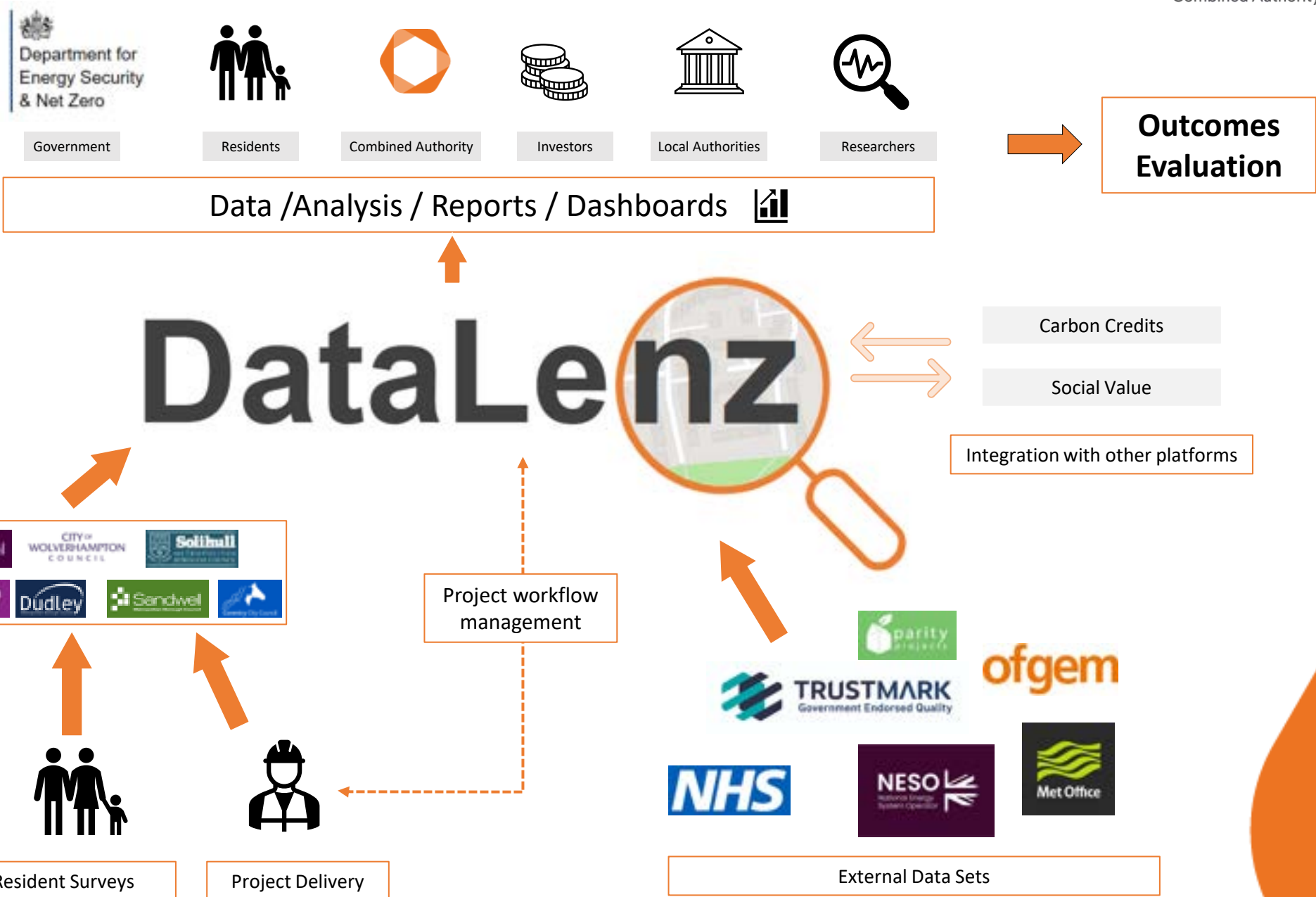


We're building a digital platform capable of ingesting data from our retrofit schemes and combining with other externally accessible data sets.

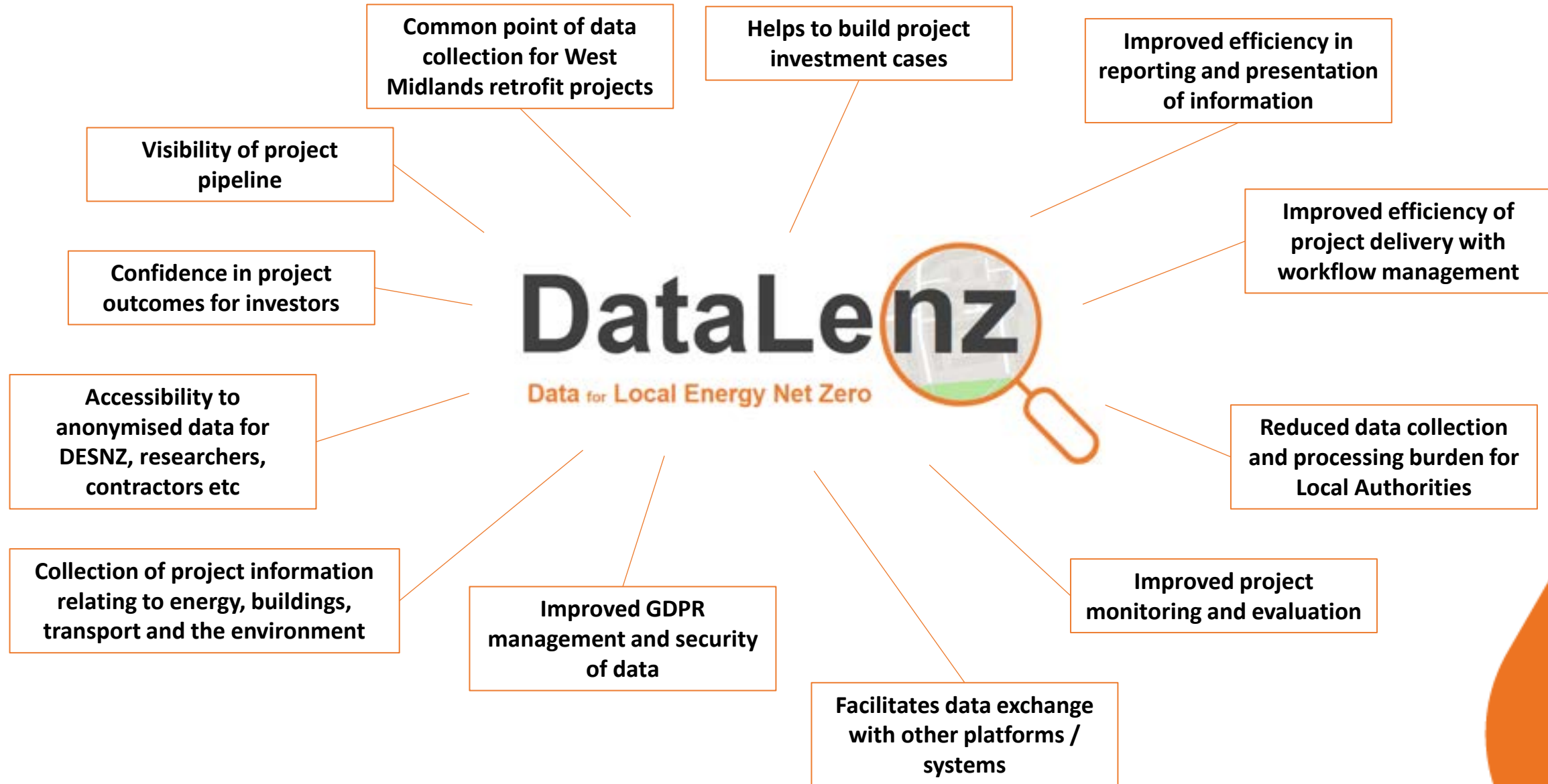


We are developing an outcomes & evaluation framework so we can measure the impact and success of the programme using data from the platform.

# Platform Overview



# DataLeNZ benefits include..



# Outcomes and Evaluation

The evaluation framework will consider outcomes and impact / benefits of the programme across 3 main areas

1

**Carbon  
reduction**

2

**Energy  
Infrastructure**

3

**Health and  
Wellbeing**



# Outcomes & Evaluation Approach

## Measuring Impact

- We will collect data using in-home sensors, citizen surveys, NHS data etc
- Data will be collected and monitored pre / post intervention measures
- We will determine where improvements/impacts have been made
- We will assess what measure directly attributed to the improvements
- Evaluation will review what worked, for whom and under what circumstances



## Strategic Insights

- We will look at the scheme delivery process and assess what went well, what didn't work so well and what we should repeat in the future



## Replicable Model

- We are aiming to design a monitoring & evaluation framework that is replicable and can be used for similar NZN schemes across the UK



# Call to action



Speak to the team  
about what you would  
like to get out of  
DataLeNZ  
(data, analysis,  
reporting etc.)

Let me know of  
anything you think we  
should consider  
within the outcomes  
monitoring and  
evaluation framework

For Local Authorities  
– please work with  
us to help  
standardise the  
collection of data  
into the platform  
where possible

# Ensuring Community Co-Design

Six Net Zero Neighbourhoods

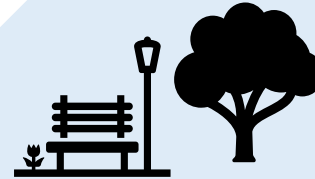


# Why Co-design?

Comfortable energy  
efficient **homes** with  
affordable  
low carbon heating



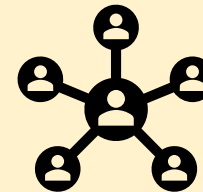
Neighbourhood  
regeneration  
and **green** spaces



Low carbon **mobility**  
and active travel  
infrastructure



Community **energy** and  
climate resilience  
opportunities



  
**Community  
co-production &  
design**

# What might Co-design look like?



Credit: Architecture Today



Credit: Civic Square



Credit: The Big Issue



# What might Co-design look like?



# Branding/ Comms



Raise

Engage

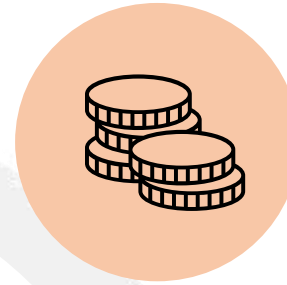
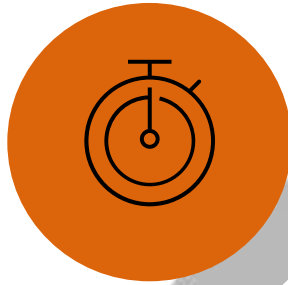
Promote

Develop

Position

Build

**Time**

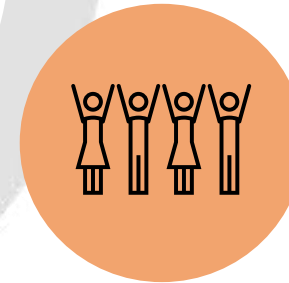


**Money**

**Loud  
Voices**

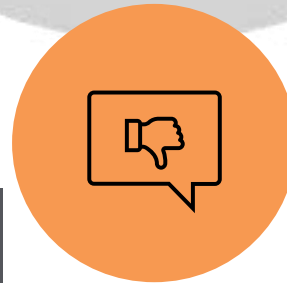


**The  
challenges  
of  
co-design**



**Engagement**

**Conflict**





# How Co-design underpins LNZA

3



Portfolio of  
investable projects

4



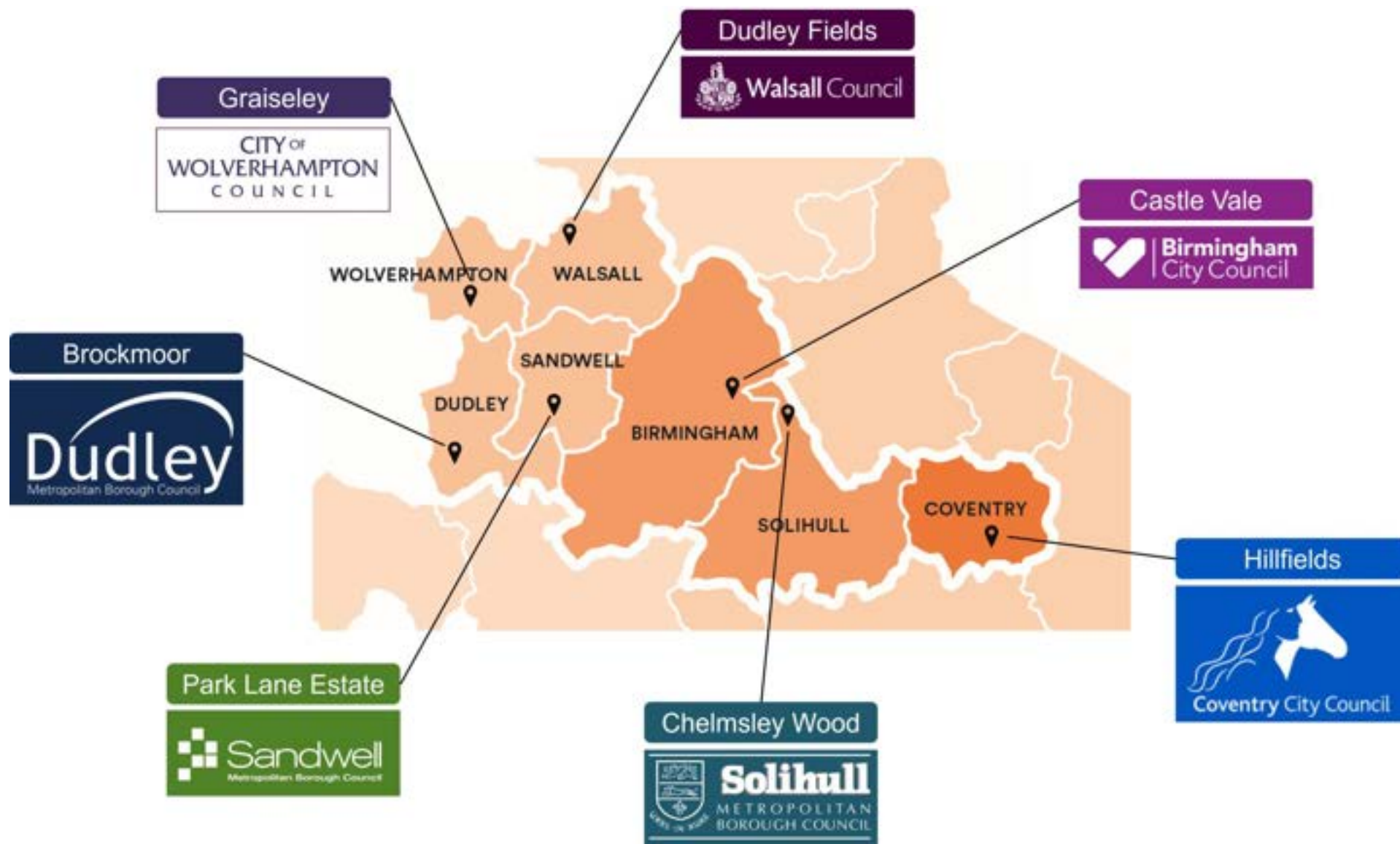
Reliable proof  
of beneficial impact

2



Strong financial  
governance  
and assurance

# The West Midlands NZNs



# How to keep up to date on the NZN programme





Greater  
South East  
Net Zero Hub

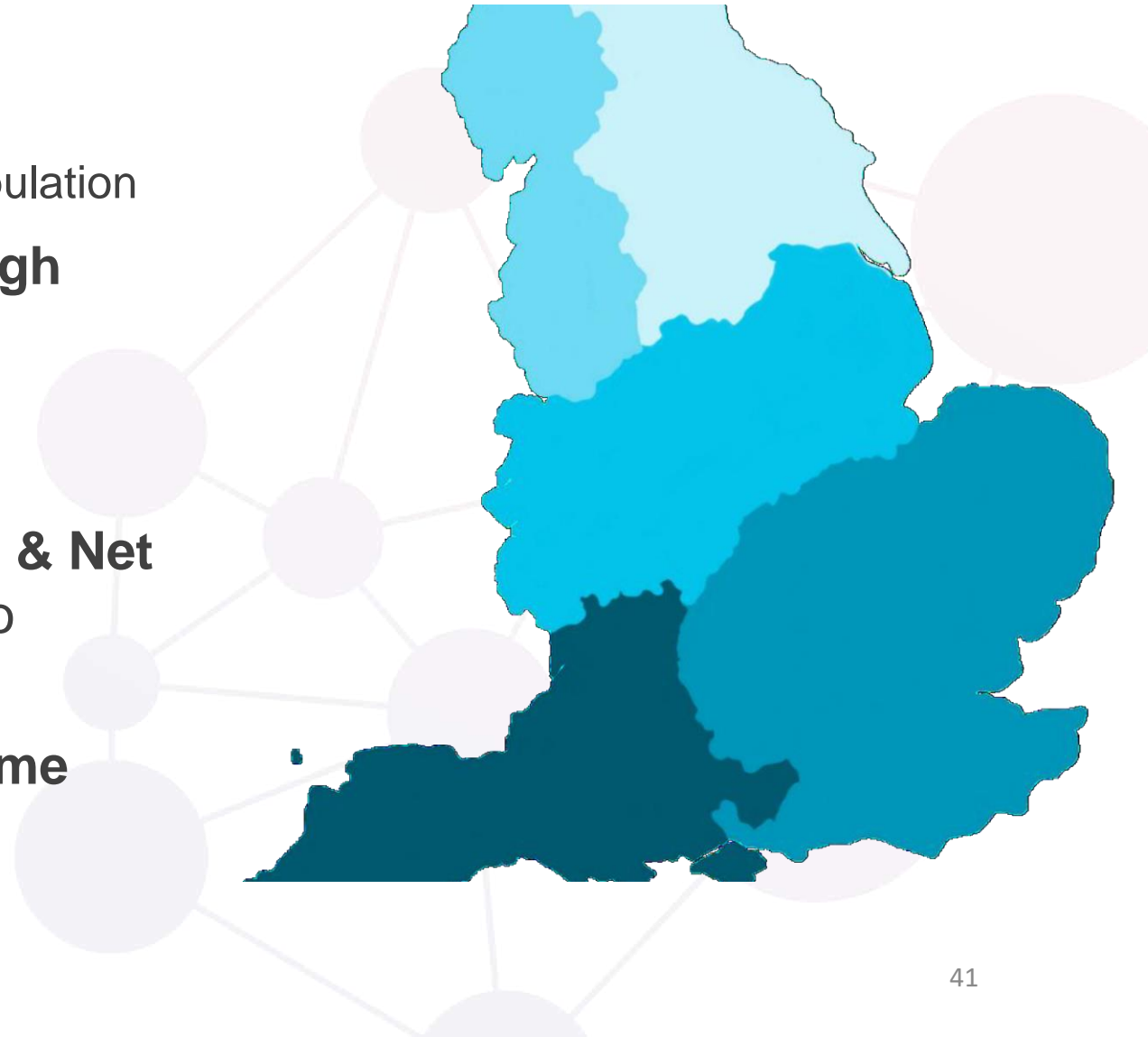
# Local Net Zero Accelerator Finance Support Service

Alex Rathmell – LNZA Programme Lead

March 2025

# Orientation

- **Greater South East Net Zero Hub**
  - 1 of 5 Net Zero Hubs across England
  - Covers 140 local authorities and ~46% of population
- Hosted by **Cambridgeshire & Peterborough Combined Authority**
  - Accountable body
  - Corporate services
- Asked by **Department of Energy Security & Net Zero (DESNZ)** to deliver the Local Net Zero Accelerator programme
- Part of the wider **Local Net Zero Programme**



# Local Net Zero Accelerator



Department for  
Energy Security  
& Net Zero

Government is providing £19 million to unleash the potential of local government **to attract new investment** for green growth by piloting new approaches in three areas.

1. Two Local Net Zero Accelerators: Greater Manchester Combined Authority and West Midlands Combined Authority will develop aggregated bundles of projects to secure long-term sustainable investment.
2. A City Leap Replicator: York & North Yorkshire Combined Authority will replicate a similar model to Bristol City Leap, which has established an innovative public-private partnership to secure investment into decarbonising Bristol's council owned estate.
3. Local Net Zero Finance Support Service: to provide access to relevant financial skills, knowledge, and experience.



West Midlands  
Combined Authority

**GMCA** GREATER  
MANCHESTER  
COMBINED  
AUTHORITY



York and  
North Yorkshire  
Combined Authority



# Financing Local Net Zero

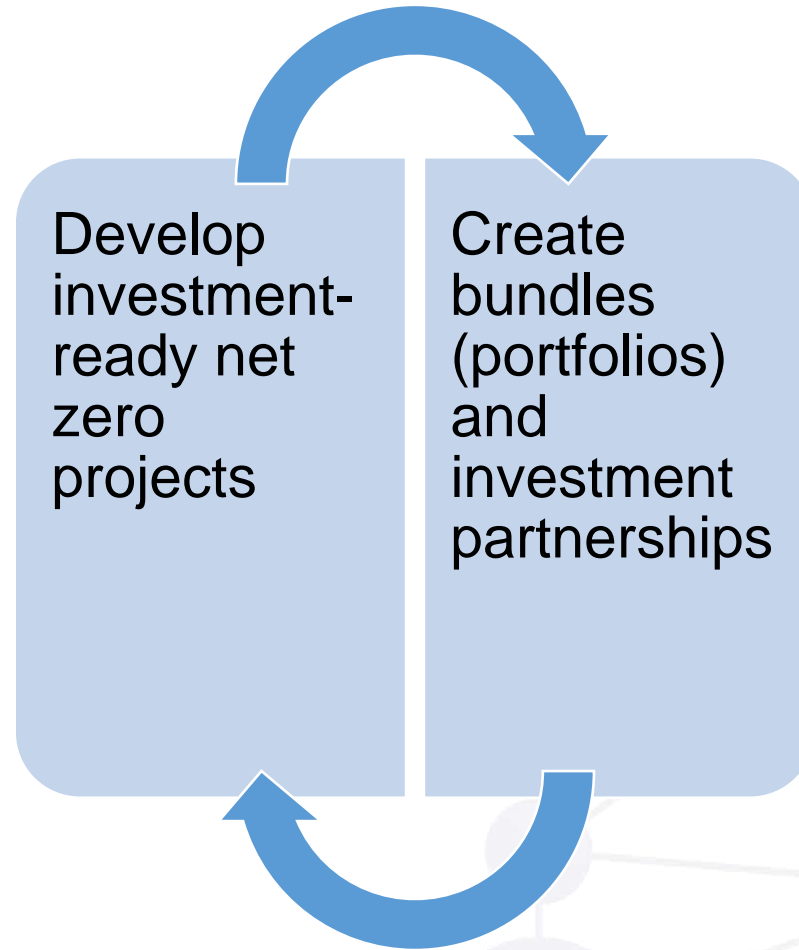
## Assets, bundles and portfolios

- Scale is achieved through aggregation of small individual net zero projects
- Project economics can be complementary, e.g. projects offering a high return make otherwise unattractive projects possible
- => We bundle projects into portfolios
- Resulting scale opens up potential for partnerships and new sources of capital
- But which projects should be bundled, and how?



The key risk is 'cherry picking': whereby high-return, low-risk projects attract commercial finance on their own, leaving the public sector with the remaining uncommercial projects. **But to get to net zero, these 'uncommercial' projects must be done.**

# Our LNZA Pilots need to do two things...

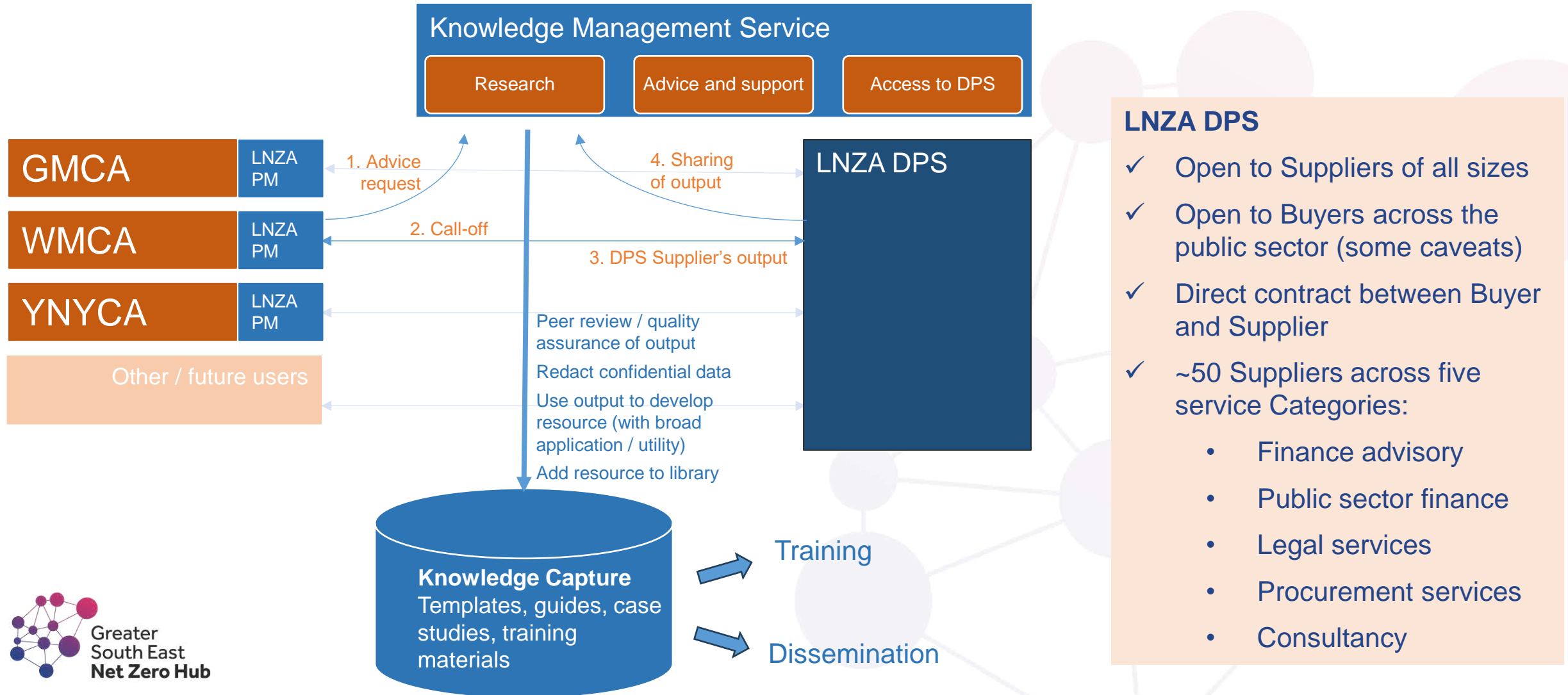


...LNZA provides funding for Pilots to do both. The Finance Support Service supports and learns from their practices, to help other Authorities with these activities.



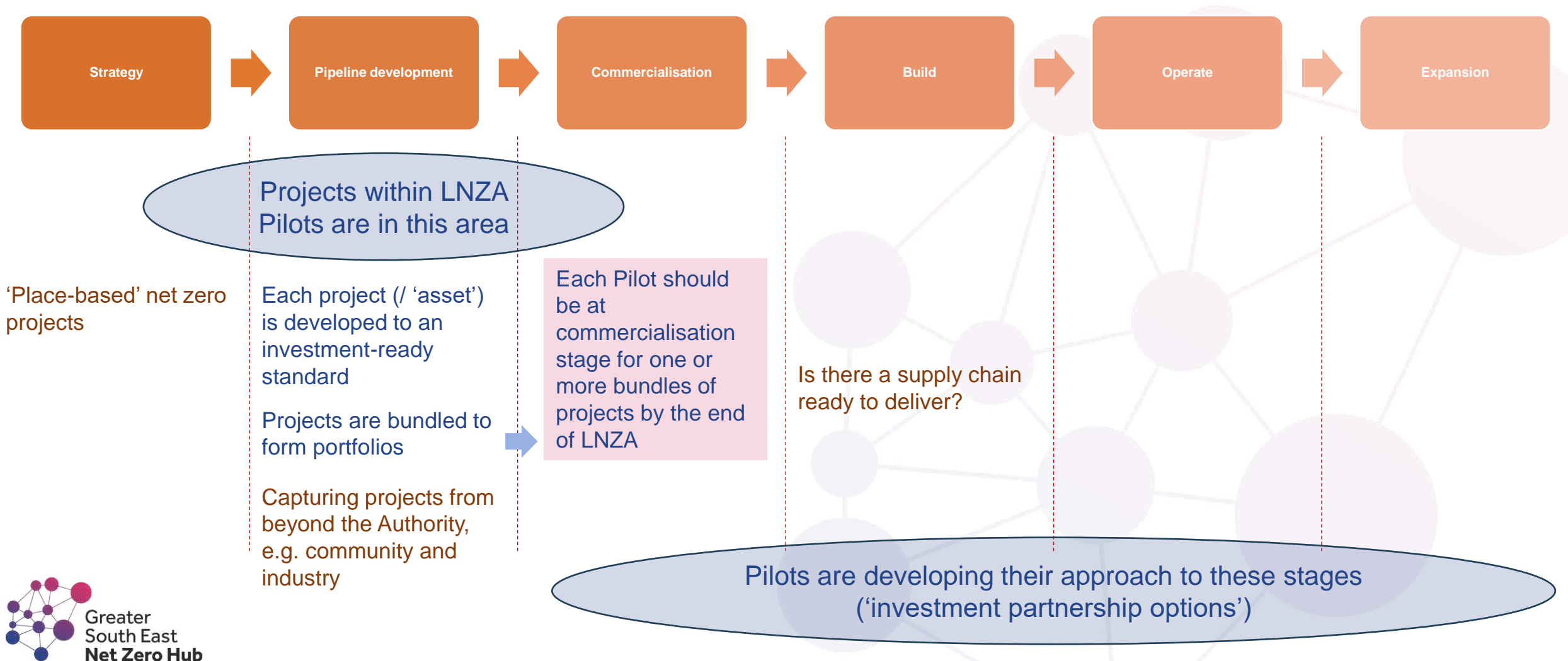
# Finance Support Service

Research, support and access to specialist advice



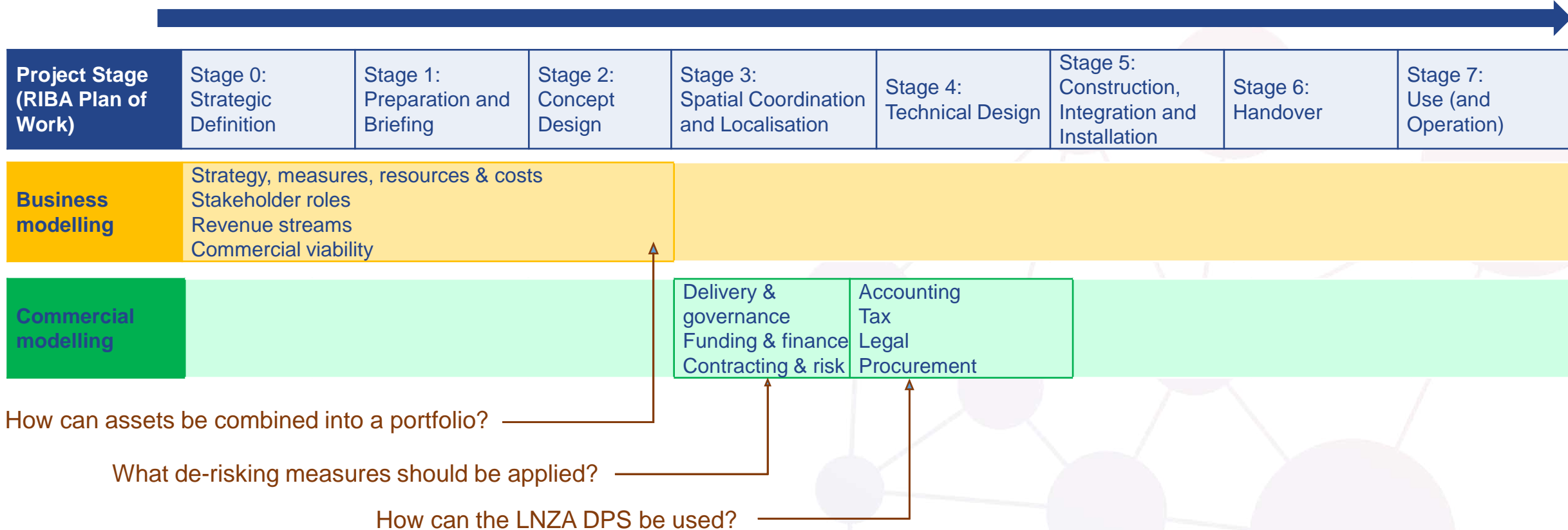
# Supporting the LNZA Pilots

## On their journeys to at-scale investment partnerships



# Supporting the Pilots

## Turning projects into assets



# Finance Support Service outputs

## ... so far

### 1. Fit For Finance tool

- What does a Local Authority need in place for a successful investment partnership?
- Diagnostic web tool, to be linked to training, e-learning and guidance products as they are released
- Beta tested with Local Authorities in the Net Zero Living cohort

### 2. Investment partnership options

- Seven case studies highlighting the range of partnership types that are possible – from 'full control' to 'full concession'

### 3. Replicable investment models

- Our current Sprint: to produce guidance on legal and capital structures for key types of net zero delivery models



# Making sense of Investment Partnership Options

## Key structural drivers

Control and risk transfer

## Numerous other drivers

Trade-offs

‘Hard’ and ‘soft’ factors

- High alignment
- Moderate alignment
- Low alignment



A 50:50 true Joint Venture



Investment Model	Risk Appetite	Risk Transfer	Governance Structure	Regulatory compliance	Shared Goals	Sustainability Metrics	Commercial Viability
PPP/PFI	High alignment	High alignment	Moderate alignment	Moderate alignment	Moderate alignment	Moderate alignment	High alignment
Wholly Owned Subsidiary	Moderate alignment	Low alignment	Moderate alignment	High alignment	High alignment	High alignment	Low alignment
Strategic Partnership	High alignment	Moderate alignment	High alignment	Moderate alignment	High alignment	High alignment	High alignment
Hybrid Model	High alignment	High alignment	Moderate alignment	High alignment	Moderate alignment	High alignment	High alignment
LA as Asset Owner	Moderate alignment	Low alignment	Moderate alignment	High alignment	High alignment	High alignment	Moderate alignment
Full Concession Joint Venture	High alignment	High alignment	Moderate alignment	Moderate alignment	Moderate alignment	High alignment	Moderate alignment



# Current focus

## Specific delivery and investment structures

- Models and structures, the theory in practice
- Investor perspective, their key considerations
- Value added, what the public sector brings to the investment deal
- Next steps: decide on any template documents to draft or commission, to accelerate setup of selected investment structure(s)



**Our next Sprint** will focus on project outcomes and multiple value streams, working closely with WMCA



# Contact

- Email enquiries: [lnza@gsenetzerohub.org.uk](mailto:lnza@gsenetzerohub.org.uk)
- DPS website:  
<https://www.gsenetzerohub.org.uk/resources/lnza-dps/>
- DPS on ProContract:  
<https://procontract.due-north.com/Advert?advertId=eaa2ab87-4644-ef11-812d-005056b64545&p=f0e28573-d93a-eb11-8106-005056b64545>



LNZA DPS website



Greater  
South East  
**Net Zero Hub**

# Local Net Zero Accelerator Finance Support Service

Alex Rathmell – LNZA Programme Lead

March 2025



# Q&A





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# Next steps for LNZA



[Home](#) > [What we do](#) > [Environment & Energy](#) > [Energy Capital](#) > The Local Net Zero Accelerator (LNZA) Programme

# The Local Net Zero Accelerator (LNZA) Programme

Supporting net zero investment in West Midlands



[wmca.org.uk/lnza-programme](https://wmca.org.uk/lnza-programme)

JUNE 24

Funding starts

# Timeline

Funding ends

MARCH 26

Spring  
2025

- Design specification of DataLeNZ completed. Platform build starts
- Capital structure advisors appointed
- Creation of an initial project pipeline, including new NZNs

Summer  
2025

- Data collection starts in the Net Zero Neighbourhoods and ingested into DataLeNZ
- Long list of possible investment structures reduced to a c.3 leading options
- Projects start to receive technical assistance

Autumn  
2025

- Detailed work starts on the design of the leading options for an investment vehicle for the West Midlands
- Complete monitoring and evaluation framework

Winter  
25-26

- Financial modelling of the options is complete
- Legal, regulatory, commercial work is done
- Start project outcomes evaluation work

Spring  
2026

- Decision made on which investment vehicle to implement
- Continue monitoring and evaluation work

# How to get involved

To discuss adding a  
project to the pipeline

[dominic.taylor@wmca.org.uk](mailto:dominic.taylor@wmca.org.uk)

On DataLeNZ and M&E

[ian.jones@wmca.org.uk](mailto:ian.jones@wmca.org.uk)

For Net Zero Neighbourhoods

[netzeroneighbourhoods@wmca.org.uk](mailto:netzeroneighbourhoods@wmca.org.uk)

On the **LNZA** project  
more generally

[barbara.leach@wmca.org.uk](mailto:barbara.leach@wmca.org.uk)

For anything else

[lnza@wmca.org.uk](mailto:lnza@wmca.org.uk)



[wmca.org.uk/lnza-programme](https://wmca.org.uk/lnza-programme)



[NetZeroNeighbourhoods@  
wmca.org.uk](mailto:NetZeroNeighbourhoods@wmca.org.uk)



[LNZA@wmca.org.uk](mailto:LNZA@wmca.org.uk)

# Thank you



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Combined Authority

**ENERGY**  

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CAPITAL

# Table sessions

**1. Net Zero Neighbourhoods**

Find out more about what's going on in the neighbourhoods with Alex G and Fatima

**2. Project pipeline and technical advice**

Help us shape our offer, with Dominic and Rohil

**3. Finance Support Service**

Ask questions about how to access what's on offer with Alex R

**4. Investment vehicle**

Come and tell us what you want from a West Midlands investment vehicle, with Renn and George

**5. Monitoring and evaluation**

Come and let us know what information would be useful to you, with Ian and Barbara



**West Midlands**  
Combined Authority