

An aerial night photograph of a city, likely Manchester, showing a large stadium with a translucent, illuminated roof, a bridge with lights, and surrounding urban buildings and streets.

The next phase for UK local authorities and decarbonisation

From Declaration to Delivery

Bevan Brittan 

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Executive Summary

From Declaration to Delivery

Six years on from the wave of climate emergency declarations, local authorities have entered a new phase of the net zero journey. The challenge is no longer defining ambition. It is delivering projects in an environment of funding constraints, complex regulation, grid limitations and increasing pressure on public finances.

Our research finds that councils are shifting away from standalone decarbonisation programmes and embedding energy, sustainability and net zero objectives within core corporate priorities such as asset management, regeneration, housing, procurement and service delivery. Success increasingly depends on whether projects can demonstrate benefits beyond carbon reduction, including lower operating costs, improved asset performance and better outcomes for residents.

Five key themes emerged:

01

Delivery, not ambition, is now the challenge

Most councils have established net zero strategies and targets. However, many acknowledge a growing gap between published ambitions and deliverable programmes. Financial viability, competing priorities and delivery constraints are often the deciding factors.

02

Commercial innovation will be critical

Traditional grant funding alone will not deliver the scale of investment required. Councils are increasingly exploring concessions, energy service contracts, strategic partnerships, power purchase agreements and outcome-based delivery models that attract private capital and transfer risk.

03

Procurement and governance are becoming strategic enablers

The most successful authorities are embedding sustainability within mainstream decision-making, procurement and capital programmes rather than treating decarbonisation as a standalone function. Procurement, commissioning and contract management will play a decisive role in tackling scope 3 emissions.

04

Heat remains the biggest challenge

Heat is the largest remaining source of emissions across local authority estates and communities. Emerging heat network zoning reforms will reshape the market and create significant opportunities, but they will also introduce new governance, commercial and regulatory responsibilities for councils.

05

Capability will determine outcomes

The gap between opportunity and delivery is increasingly a capability gap. Councils that can combine technical, legal, commercial and procurement expertise are better placed to attract investment, manage risk and bring forward large-scale projects.



Direction of travel – Bevan Brittan view →

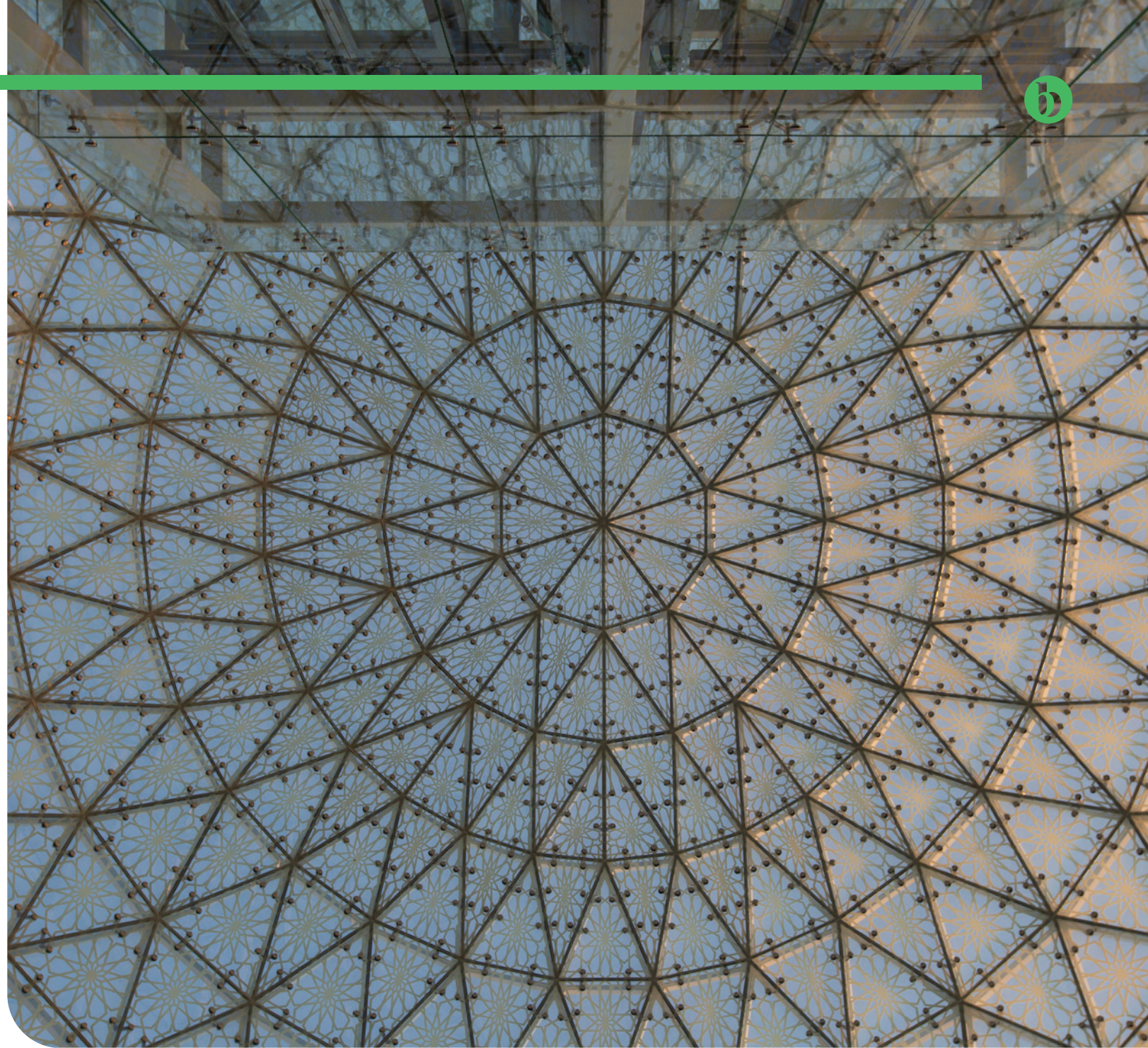
The next decade will be defined less by strategy and more by execution. The key challenge for local government is converting ambition into investable, procurement-ready projects supported by robust commercial structures, governance frameworks and long-term partnerships.

Those authorities that prepare early by strengthening procurement strategies, reviewing assets and contracts, resolving land and governance issues and developing clear delivery pipelines will be best placed to secure investment and accelerate delivery.



Introduction

Local authorities have spent the last six years developing climate strategies, baselines and net zero commitments. The next phase is fundamentally different. Today's challenge is not setting targets, but delivering projects in a more complex and commercially demanding environment. This report explores the barriers, opportunities and emerging delivery models shaping local authority energy programmes.



An organisation of many parts

Energy and carbon responsibilities sit across almost every part of a council, from estates and regeneration to planning, finance and procurement. Yet responsibility for delivery often rests with small sustainability and energy teams that rely on collaboration across the wider organisation.

This matters because the biggest source of emissions for most councils is not their buildings or fleets. It is **scope 3 emissions**, generated through the goods, services and works they procure.



Our scope 3 is very complex and alongside being difficult to accurately calculate, is our most significant area of [carbon emissions] impact. Even across our scope 1 and 2 emissions, which are comparatively easy to measure, we have a very diverse and very large portfolio of assets.

Ellie Horwitch-Smith, Assistant Director and Strategic Lead for Net Zero, Birmingham City Council

Reducing those emissions requires fundamental changes to procurement, commissioning and contract management. The same is true in regeneration and development, where carbon outcomes are often determined long before a project reaches the sustainability team.

As a result, energy and sustainability professionals have become internal influencers as much as technical specialists. Their role is increasingly to shape decisions made elsewhere in the organisation, using evidence, data and commercial insight to improve outcomes.

The language of decarbonisation has evolved accordingly. Successful projects are rarely approved on carbon savings alone. They are approved because they also reduce energy costs, improve assets, increase resilience, enhance services or deliver better outcomes for residents.

Experience has reinforced this shift. Some early projects reduced emissions but created unintended consequences, such as higher operating costs or underperforming heating systems. Councils are now taking a more evidence-led approach, prioritising solutions that deliver both carbon and operational benefits.

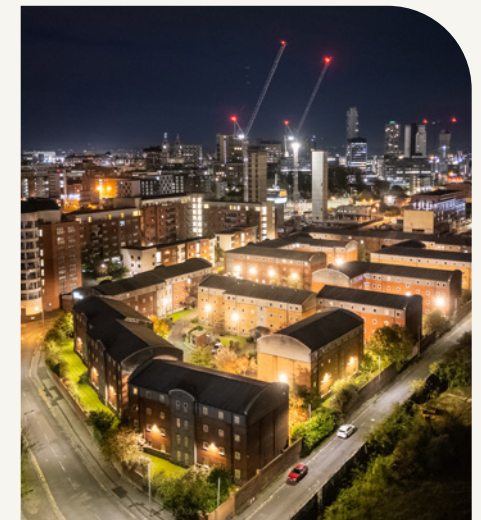
The councils making the fastest progress are those that have embedded energy objectives within core business priorities rather than presenting them as a separate agenda. Projects that also address asset condition, compliance, maintenance backlogs or service performance are more likely to secure funding and organisational support.



We're working very closely with infrastructure colleagues, and through that fund we're tackling different priorities that align. Having projects that speak to different priorities and different teams works really well in terms of getting sign-off from the people we need approval from.

County Council

Just as importantly, alignment must extend beyond operational teams and into governance. Increasingly, councils are embedding sustainability considerations into mainstream decision-making processes, ensuring environmental impacts are assessed alongside financial, operational and strategic considerations rather than through a standalone approval route.





The need for specialisation

The work has become more technically and legally specialised at a rate that has outpaced the sector's ability to resource it.



The legal services we have in the council are award winning, but accessing specialist advice isn't always achievable, having a cohort of specialists that we could rely on could be a big help.

**Oliver Thomas, Service Manager,
Green Cities & Circular Economy,
City of Wolverhampton Council**

The value an adviser adds in these areas is not the production of documents a local council team could produce itself. It is knowledge of what has worked well elsewhere, what has failed, and where the risk is. That is also, notably, how the local authority sector itself operates.



There is a lot of learning from, and openly sharing with, officers across the local government sector. I think we could do a lot more of that across sectors as well.

**Ellie Horwitch-Smith, Assistant Director
and Strategic Lead for Net Zero,
Birmingham City Council**

In most local councils, sustainability, energy and net zero remains a small team, working across a multitude of directorates, on a non-statutory programme that is underfunded. What is striking from the research, is the consistency of commitment among the local council teams involved, and the extent to which they have adapted their approach to the institutional realities around them rather than waiting for those realities to change.

Direction of travel – Bevan Brittan view →

The most successful authorities are treating energy as a core business issue rather than an environmental initiative. As projects become more complex, legal, procurement and commercial considerations need to be embedded at the outset, not added later. Councils that integrate energy objectives into procurement frameworks, capital programmes, development agreements and asset strategies are likely to achieve faster and more sustainable delivery outcomes.

Key Takeaways

Decarbonisation is no longer a standalone programme. Successful councils are embedding energy and net zero objectives within asset management, regeneration, housing and service delivery.

Scope 3 emissions remain the biggest challenge. Procurement and commissioning decisions increasingly determine carbon outcomes.

Projects succeed when they solve multiple problems. Cost reduction, asset improvement and service outcomes are often stronger drivers than carbon reduction alone.

Collaboration across departments is essential. Energy projects require input from finance, legal, estates, procurement and operational teams.

Specialist skills are becoming increasingly important. Many councils now require legal, commercial and technical expertise that sits outside traditional local government capabilities.



Between ambition and execution

Most councils have published climate strategies, net zero targets and delivery plans. The ambition is clear. Delivery is proving harder.

Around two-thirds of councils are not confident they will achieve their net zero ambitions within the timescales they have set themselves. The challenge is rarely a lack of commitment. More often, it is a combination of funding constraints, commercial viability, infrastructure limitations and organisational capacity¹.



67% of councils are not confident they will meet their own net zero targets.



Economics remains the biggest barrier

The strongest predictor of whether a project progresses is simple: does it pay back, and how quickly?

Measures with clear financial returns such as LED lighting, building management systems, insulation and solar PV continue to attract investment because they reduce operating costs while lowering emissions.

For many councils, heat now represents the largest remaining source of emissions. Yet replacing gas with electricity-powered heating often increases running costs, making the financial case difficult despite the carbon benefits. The result is a sector making steady progress on efficiency while some of its most significant emissions challenges remain unresolved.

Access to funding: external and internal

Funding is not simply about access to capital. It is also about time, resources and certainty.

Many grant programmes place significant administrative demands on already stretched teams.



Some of these funding pots look very attractive, but then you have to deal with huge amounts of administration just to get through and evidence it.

John Sharp, Energy Team Manager, City of Bradford Metropolitan District Council

Short-term funding cycles compound the challenge. Councils are often expected to design, procure and deliver projects within narrow funding windows, leaving little room for long-term planning. The consequences are clear: 43% of councils have returned funding because delivery deadlines could not be met, while 90% believe current funding arrangements are insufficient to support their local net zero ambitions².



43% have returned funding because delivery deadlines could not be met.

^{1&2} Net Zero – Strategy and Support, Local Government Association



The funding to date has been piecemeal, in one- or two-year programmes which undermines momentum. What is needed is 5,7 or even 10-year funding packages for local authorities to build the appropriate resources, build the appropriate skills in-house, and then deliver against longer term strategic targets.

**Oliver Thomas, Service Manager,
Green Cities & Circular Economy,
City of Wolverhampton Council**

Capital-only funding often fails to cover the true cost of project delivery. While councils can secure funding for infrastructure, the resources needed to manage procurement, oversee implementation and monitor ongoing performance frequently remain unfunded, leaving local authorities to absorb these costs from their general fund budgets.

Internal funding presents a different challenge. Energy projects must compete with statutory services and growing budget pressures. Where councils have introduced invest-to-

save or recycling funds, delivery has often been more consistent. However, these models favour projects with short payback periods and rarely solve the challenge of heat decarbonisation³.

Grid capacity and the physical limits of electrification

The future of local authority decarbonisation is heavily dependent on electrification. The problem is that not every area has sufficient capacity to support it.

Regen, the not-for-profit energy transition organisation, notes that to achieve clean power by 2030 the UK must connect an additional 120 GW of renewable generation and storage capacity⁴. Following NESO's connections queue reform, ensuring that projects are both ready for construction and strategically aligned with the national systems' needs will also be important for ensuring projects are connected to the grid successfully and quickly⁵.

3 [Councils warn of £7bn funding black hole threatening local services in three years](#)

4 [Regen](#)

5 [UK grid connections reforms: what Gate 2 means for renewables](#)

In light of the current constraints of the grid capacity, Local Authorities should consider connecting heat infrastructure directly to projects which generate substantial amounts of heat, such as waste facilities or data centres⁶. Not only would this mean Local Authorities could avoid the queues and constraints of the grid, but it would equally assist Local Authorities to reduce their carbon emissions.

Whether installing heat pumps, expanding EV charging or developing renewable energy projects, councils increasingly find delivery tied to electricity network reinforcement programmes and connection timelines that sit largely outside their control.

Regen has raised concern that under current proposals for demand connections reform, areas outside Mayoral Strategic Authorities cannot submit projects for strategic designation, meaning there would be no route for a number of local councils to put forward strategically significant sites for prioritisation⁷.

Energy infrastructure is therefore becoming a strategic planning issue. Decisions about growth, regeneration and development can no longer be separated from discussions about grid capacity and energy resilience.



Whether it's residential or commercial developments, we want and need to be stronger on the energy side. The implications for the local grid and what that means for future developments and supply to current buildings cannot remain a peripheral thought in the planning process. Energy is starting to be brought into some of those strategic conversations alongside the importance of new roads and mobility networks in enabling development and regeneration. It remains challenging, because there are systemic industry barriers that continue to reinforce business-as-usual/status quo thinking through all layers of decision making.

**Oliver Thomas, Service Manager,
Green Cities & Circular Economy,
City of Wolverhampton Council**

Geography, land and asset ownership

Technology is rarely the biggest obstacle. Property often is.

Unresolved ownership structures, lease arrangements, restrictive covenants and complex governance arrangements frequently delay projects long before construction begins.

The same applies to renewable energy opportunities. Brownfield and former landfill sites can offer significant development potential but often bring contamination, biodiversity and site stability risks that undermine project viability.



Some locations may appear ideal for renewable energy generation but then risks are identified such as potential land contamination, or early surveys identify that measures are necessary to protect local biodiversity. All of a sudden, it becomes a complex or high-risk project that impacts viability and return on investment.

Council

Organisational and political continuity

Decarbonisation programmes are measured in decades. Political and organisational cycles are not.

Changes in leadership, cabinet portfolios, organisational structures and funding priorities can all disrupt momentum. The authorities making the greatest progress are those that have embedded energy and sustainability objectives into core processes such as asset management, procurement, planning and financial strategy. These continue regardless of political or organisational change.



⁶ Viridor Energy and Rivington Energy Partnership

⁷ Demand connections reform – prioritisation, flexibility and fairness in the grid queue

Direction of travel – Bevan Brittan view →

The challenge facing local government is not ambition. It is delivery.

The councils making the strongest progress are moving beyond traditional grant-funded projects and exploring commercial models that can attract investment, share risk and accelerate delivery. Concessions, energy-as-a-service arrangements, strategic partnerships and outcome-based contracts are becoming increasingly important tools in the delivery toolkit.

Increasing attention is also being given to infrastructure financing approaches such as the Regulated Asset Base (RAB) model, which has been used across other regulated sectors to support long-term investment by providing greater certainty around cost recovery and risk allocation. As heat networks and other low-carbon infrastructure mature, RAB-

style mechanisms may offer a route to unlocking larger-scale private capital and creating more investable projects.

While the Final Local Government Finance Settlement for 2026-27, for the first time in a decade incorporated a multi-year approach, a consistent shift is still required to grant funding structures.

Over the next five years, success is likely to depend as much on procurement strategy, commercial structuring and risk allocation as it does on technology selection. The question is shifting from “What should we build?” to “How do we structure it so it can be delivered?”

In our experience, the authorities best placed to succeed are those that approach decarbonisation as an infrastructure and investment challenge, not simply a sustainability programme.

What should we build?

How do we structure it so it can be delivered?

Key Takeaways

Financial viability remains the primary determinant of delivery.

Projects with clear payback periods continue to attract investment and approval.

Short-term funding cycles create long-term delivery problems.

Councils struggle to build momentum around fragmented grant programmes.

Heat decarbonisation remains the hardest challenge.

Current energy price structures continue to undermine the business case for electrification.

Grid constraints are increasingly becoming a critical delivery risk.

Energy infrastructure is now a strategic planning issue.

Property interests, land ownership and governance frequently delay projects more than technology.



Scoping the opportunity: the changing shape of funding and commercial models

Local authorities are becoming more sophisticated in how they fund and deliver decarbonisation projects. While grants remain important, the sector is increasingly combining public funding with borrowing, recycled savings, private investment and asset-derived income to create more sustainable delivery models.

The limits of grant funding

The Warm Homes Plan remains the government's flagship programme, which commits £15 billion of public investment with the ambition of supporting housing retrofit upgrades in up to five million homes by 2030⁸. However, grant funding continues to come with challenges. Match-funding requirements, strict delivery deadlines and complex compliance processes transfer significant risk onto local authorities.

The finance structures local councils are now exploring

As a result, councils are increasingly exploring new financing and delivery models, including:

Invest-to-save and recycling funds, in which verified savings from delivered measures are returned to a ring-fenced fund to finance the next tranche. These are considered as a reliable internal mechanism for short-payback measures.

Prudential borrowing against demonstrable revenue

, where a generation or efficiency asset produces an income sufficient to service the debt. This is well understood by treasury functions but requires a robust and auditable revenue model and is sensitive to changes in the borrowing rate and to the CIPFA (Chartered Institute of Public Finance and Accountancy) framework on commercial investment.

Power purchase agreements, in which a third party finances, installs, owns and maintains generation on council land or buildings, selling the output back to the council at an agreed price. These arrangements transfer capital cost and performance risk but create long-term property and contractual commitments and raise questions about asset ownership at the end of the term.

Sleeving and private wire arrangements, which allow generation at one site to offset consumption at another. These are commercially attractive because avoided consumption is worth substantially more than export, but they require scale before suppliers will engage on competitive terms.

8 [Warm Homes Plan, gov.uk](https://www.gov.uk/government/publications/warm-homes-plan)





- **Sleeving** – The local council channels its renewable generation directly into the national grid while paying a licensed utility provider to route that exact volume of power virtually back to the local council's corporate energy accounts.
- **Private wire arrangements** – local councils can establish direct, physical grid connections between localised renewable generation assets (such as co-located solar arrays) and high-consumption public facilities (such as leisure centres or corporate offices), physically bypassing the public distribution network.

Energy service company and concession structures, in which a partner takes responsibility for design, capital, delivery and long-term operation against guaranteed performance outcomes. These address the capability gap as much as the capital gap, but require careful structuring around performance measurement, change of law, termination and asset transfer.

Strategic energy partnerships, for private sector organisations to act as the development partner across a local council's carbon portfolio, and design, engineer, and commercialise modern energy networks as well as provide low-cost private institutional capital.

Community municipal investment and local bonds, in which a council raises debt directly from residents. These are administratively demanding but create a direct civic relationship between residents and the projects being funded.

Carbon offset funds, the Community Infrastructure Levy and biodiversity credits, which convert development activity into a funding stream for local environmental investment. Several authorities now operate carbon offset funds fed by developer contributions where on-site net zero cannot be achieved and direct the proceeds into retrofit programmes.

Public finance institutions, principally the National Wealth Fund and Great British Energy, which offer capital and advisory support. However, these currently favour developed projects at a scale that excludes many individual authorities.

Across all these models, the trend is clear: councils are moving from asset ownership towards outcome-based delivery and long-term partnerships.

The incentive ceiling

Funding that stops at the regulatory minimum produces buildings that meet the standard and no more. These are likely to require a second intervention later at a cost substantially higher than the marginal cost of doing the work once. Viability appraisal is a capital cost exercise and favours the cheapest heating solution to install, regardless of what it costs the eventual occupier to run.





There are minimum energy efficiency standards for privately let properties and a minimum energy performance certificate standard for social housing. But it's going beyond that where we really start to tackle the decarbonisation challenge. There's no incentive, so it's incredibly reliant on the will of either the occupier or the owner of that building to invest beyond the minimum. All of the grant funding schemes available to incentivise investment in decarbonisation often stop at the minimum level that's being sought.

There is no call to action to do much more than the basics. You're trying to persuade and encourage and give evidence as to why someone should act, without there being a clear reason or rationale, or implication for them not doing so.

Ellie Horwitch-Smith, Assistant Director and Strategic Lead for Net Zero, Birmingham City Council

The capability challenge

The most significant constraint is often not funding but capacity.

Many councils have identified a pipeline of viable projects. What they lack is the technical, commercial and legal resource needed to turn those opportunities into investable propositions.

Authorities with in-house expertise across energy, engineering, procurement and project delivery are better able to challenge suppliers, evaluate risk and build robust business cases. Those without these skills can become reliant on external advice and struggle to move projects beyond the feasibility stage.

Strong partnerships can help bridge the gap.



The engineering companies we're dealing with now on the heat network, is a partnership between us and them, and we're all learning from each other. It's how they learn, it's how we learn, and it's how my team develop.

John Sharp, Energy Team Manager, City of Bradford Metropolitan District Council



We can identify the projects, but it's a very large, almost insurmountable task to draw them together. I don't have the tools at my disposal to begin a task like that.

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Ultimately, the challenge is not identifying opportunities. It is packaging them into programmes that investors, funders and delivery partners can support with confidence. For many councils, that remains a commercial and procurement challenge as much as a financial one.



Procurement and commercial structuring are becoming as important as funding.



Direction of travel – Bevan Brittan view →

The market is moving beyond grant-funded decarbonisation towards commercially structured programmes capable of attracting long-term private investment. The question is no longer simply how projects are funded, but how they are procured, governed and delivered.

Procurement will be a critical enabler of this transition. Well-designed commercial models can unlock investment, drive innovation and allocate risk appropriately while ensuring compliance and value for money.

In our experience, the authorities best placed to secure funding are those that arrive at market with a clear project pipeline, resolved asset and land issues, robust governance arrangements and a procurement strategy aligned to their long-term objectives. Increasingly, investors are not looking for individual projects. They are looking for scalable, investable programmes.

Key Takeaways

Grant funding remains important but is no longer sufficient on its own. Councils are seeking more diverse and sustainable funding models.

Private capital is playing a greater role. Partnerships, concessions and long-term service arrangements are becoming increasingly attractive.

Commercial structures are evolving rapidly. Power purchase agreements, energy service contracts and strategic delivery partnerships are becoming mainstream options.

Project aggregation remains a major challenge. Many councils have pipelines of opportunities but lack the resource to package them into investable programmes.

Preparation matters. Authorities with clear asset data, governance arrangements and risk positions are better placed to secure investment.



Heat: zoning and networks for the next decade

Heat remains one of the largest decarbonisation challenges facing local authorities. In dense urban areas, individual building solutions are often difficult to deliver at scale due to constraints around space, grid capacity, land ownership and building tenure. Heat networks offer an alternative by aggregating demand and centralising generation.

Where councils have made progress, they have typically combined strong delivery partners, access to capital and well-structured commercial arrangements. Where projects have stalled, common challenges include rising costs, weak demand certainty, viability issues and contractual complexity.

Heat networks currently supply around 3% of UK heat. The government's ambition is substantial. Alongside the Warm Homes Plan, it is targeting more than double England's heat demand being met through heat networks by 2035, with such networks then providing a fifth of all heat by 2050⁹.



Heat networks currently supply around 3% of UK heat. The government's ambition is that heat networks will provide a fifth of all heat by 2050.
DESNZ heat networks and zoning

Heat network zoning changes

Bevan Brittan has been tracking the development of the heat network regulations closely. Our analysis of the draft regulations notes that both high temperature sources such as energy from waste and low temperature sources such as waste water and sewerage could be required to connect to heat networks, and that local zone coordination bodies are likely to take a leading role in investigating potential heat sources in a zone, with their findings published in Zonal Market Prospectuses. On demand assurance, our view is that the question of whether a building can be mandated to connect within a zone is fundamental, and that for organisations bidding for zone developer opportunities and investing in growing a network, mandated connection is key.



Heat network zoning regulations will enable us to designate a particular area within the city and require all buildings above a certain heat demand, along with new developments, to connect. That improves demand certainty for investors and gives confidence to building owners that this will be a good deal. These changes will help accelerate heat networks, but they remain incredibly complex.

Ellie Horwitch-Smith, Assistant Director and Strategic Lead for Net Zero, Birmingham City Council





What this means for local authorities

Heat network zoning represents one of the most significant new responsibilities for local authorities in the energy transition. It has the potential to unlock private investment at scale, but it will also require councils to navigate complex governance, procurement, planning and commercial challenges.

In addition to their role as planning authority, councils may find themselves acting simultaneously as landowner, customer, operator and coordinator. Resolving potential conflicts and establishing robust governance arrangements early will be essential. Resourcing and capacity will also be key challenges.

As part of the planning for future zone opportunities, councils will need to monitor the regional footprint for local and regional government that may be impacted by structural changes through devolution and reorganisation of local authorities.

The contract expiry opportunity

Many first-generation heat network contracts are approaching expiry.

While this can discourage investment in the short term, it also presents an opportunity to reset commercial arrangements, strengthen performance

requirements and align future networks with wider decarbonisation objectives. Councils that start planning early will have greater influence over future outcomes.

The next decade

National policy is moving heat networks from niche local projects towards a regulated utility model, with Ofgem consumer protections, technical assurance standards, defined zone geographies and a private-sector-led delivery model operating under public coordination.

As a result, councils are likely to shift from being network developers and operators to market-makers, coordinators and strategic partners. Success will depend less on previous experience and more on whether authorities have a clear understanding of their assets, energy demand, land interests and risk appetite.



Direction of travel – Bevan Brittan view →

Heat network zoning has the potential to transform the market by creating the demand certainty investors have long sought. However, zoning does not remove risk; it changes where that risk sits.

The councils best placed to benefit will be those that prepare now by reviewing contracts, auditing assets, assessing future zones and establishing clear governance arrangements. Procurement, commercial structuring and risk allocation will be critical to securing investment and delivering long-term value.

Key Takeaways

Heat remains the largest decarbonisation challenge facing local authorities.

Heat network zoning represents a major market intervention. It has the potential to strengthen investor confidence and accelerate deployment.

Local authorities may take on significant new responsibilities through zoning. Governance, planning and delivery roles will become increasingly important.

Commercial complexity remains a key barrier. Heat networks involve long-term contractual, property and procurement considerations.

Authorities that prepare now will have a strategic advantage as regulation develops.



Working in the public eye

Local authorities deliver decarbonisation programmes under intense public and political scrutiny. Targets are public, funding awards are announced, and progress is regularly reported through formal governance processes. As a result, many councils are moving away from broad ambitions towards fewer, more evidence-based commitments.

Delivery is also shaped by factors outside the control of sustainability and energy teams. Political priorities change, funding programmes come and go, organisational structures evolve, and capability can be built up or lost through reorganisation and budget pressures. As a result, progress varies significantly between authorities. Some have delivered against their plans, while others have been forced to revise targets as circumstances changed.

The challenge is compounded by the fact that net zero remains largely a non-statutory priority, competing with core service delivery and financial pressures.



When government declared a climate emergency and legalised the 2050 net zero target, they did nothing to explain to people why that was the case. The engagement campaign around it has been severely lacking which undermines public confidence and trust.

Local Councils have influence across maybe 60% of the emissions that occur within their local areas, yet we've not been mandated to do anything about it under the 2050 Net Zero plans. If Local Councils are mandated, they are also going to demand the funding to go along with it. Due to the

lack of statutory requirement and funding, it's difficult to justify investment and contribute meaningfully to the broader strategic objectives of the city.

**Oliver Thomas, Service Manager,
Green Cities & Circular Economy,
City of Wolverhampton Council**

At the same time, the sector's openness is one of its greatest strengths. Councils routinely share lessons learned, supplier experiences and delivery approaches through professional networks, conferences and peer groups. This culture of collaboration continues to accelerate learning across the sector.



Direction of travel – Bevan Brittan view →

The councils most likely to sustain momentum are those that embed energy and sustainability objectives into core governance, procurement, asset management and financial planning processes.

Programmes anchored in institutional structures are more resilient to political change and leadership turnover than those reliant on individual champions, short-term funding or standalone projects.

Key Takeaways

Local authorities operate under significant public and political scrutiny.

Political, organisational and financial change can disrupt long-term programmes.

Net zero remains a non-statutory priority competing with core service pressures.

Knowledge sharing across the sector is a significant strength.
Councils continue to collaborate and learn from one another.

Successful programmes are embedded within long-term strategies and governance structures rather than relying on individual champions.



Conclusion

The opportunity in local authority decarbonisation remains significant. The £15 billion Warm Homes Plan is just one example of the investment entering the market. The challenge is no longer identifying opportunities, but turning them into investable, deliverable projects supported by the right governance, skills and commercial structures.

The sector has already evolved.

Decarbonisation is increasingly embedded within core council priorities, with projects justified not only by carbon savings, but by lower energy costs, improved assets, better services and stronger outcomes for residents.

Economics remains the key determinant of delivery.

While councils cannot influence national energy pricing, they can reshape how projects are funded and delivered. Measures that do not stack up as capital purchases may succeed through concessions, energy-as-a-service models or shared-savings arrangements.

Funding is only part of the picture. Grid capacity, land ownership and tenure issues can constrain delivery just as much as finance. Some of the biggest opportunities, particularly on brownfield land, also carry significant commercial, environmental and legal risks that must be carefully managed.

Capability remains a differentiator.

Authorities with in-house technical, energy and commercial expertise are better equipped to assess opportunities, challenge suppliers and deliver projects successfully. Where those skills are absent, progress can be slower and risks harder to manage.

Heat will be the defining challenge of the next decade.

Heat network zoning has the potential to unlock investment and accelerate deployment, but it also creates new responsibilities for local authorities. Those that understand their assets, contracts, governance arrangements and future energy needs will be best placed to respond.

Local Councils have achieved significant progress with limited resource, no statutory mandate, and under public scrutiny. The sustainability and energy teams contributing to this research were candid about what has not worked, precise about why, and generous in sharing what they have learned.

We would like to thank all of those that contributed. Your openness is an intellectual asset, and the more it extends across sectors and into the professional advisers working alongside you, the faster the remaining work can be done.



Bevan Brittan are leaders in the energy market and are best positioned to assist and support local authority decarbonisation programmes. We have a proven track record of helping our clients to deliver challenging decarbonisation initiatives. We have a team of expert

lawyers with experience in commercial innovation to help our clients tackle all the difficult issues we have highlighted in this report. If you have any questions or would like to know more, please contact:

Our team



Nadeem Arshad

**Partner and Head of Energy
& Resource Management**

0370 194 8932 | 07795 495643
nadeem.arshad@bevanbrittan.com



Rupert Lugg

Partner

0370 194 8535 | 07917 272296
rupert.lugg@bevanbrittan.com



Nathan Bradberry

Partner

0370 194 1666 | 07810 882309
nathan.bradberry@bevanbrittan.com



Gemma Glasspole

Partner

0370 194 5040 | 07825 854029
gemma.glasspole@bevanbrittan.com



Kuldip Dhanoya

Partner

0370 017 0339 | 07867 188149
kuldip.dhanoya@bevanbrittan.com



Kirtpal Kaur-Auija

Partner

0370 194 5028 | 07467 940477
kirtpal.kaur-auja@bevanbrittan.com



Mo Olajide

Legal Director

0370 194 1751 | 07765 061503
mo.olajide@bevanbrittan.com



Carrie Davies

Senior Associate

0370 194 5411 | 07502 198737
carrie.davies@bevanbrittan.com





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Birmingham | Bristol | Leeds | London

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