

# Legacy, Impact and the Road Ahead:

Report of the Cities  
Commission for  
Climate Investment

March 2026



A Connected Places  
Catapult Initiative

# Foreword

“ When the Cities Commission for Climate Investment (3Ci) was established in 2021, the ambition was clear: to unlock the scale of private investment required for places across the UK to deliver Net Zero. Cities and regions had climate commitments, project ideas and civic leadership. What they lacked, at sufficient scale, were investable pipelines, trusted public-private partnerships, and delivery models capable of attracting long-term capital. The scale of the challenge: £1.4 trillion nationally, was far beyond the capacity of the public purse alone. Without mobilising institutional finance, Net Zero would remain an aspiration rather than an outcome. 3Ci was created to bridge that gap: bringing together local government, investors, industry and national partners to align what we termed ‘the power of place with the logic of capital’. It was designed as a neutral, time-limited, catalytic platform: to test new models, de-risk innovation, and build the confidence required for investment at scale.

Over four years, 3Ci has played a distinctive role in reshaping the landscape of Local Net Zero investment in the UK. We have helped develop and test new financing and delivery models; most notably Net Zero Neighbourhoods, including a Treasury Green Book-compliant Outline Business Case and 40 live opportunities across 35 local authorities. We have created the UK’s first National Net Zero Project Pipeline, mapping more than 1,200 projects with a combined value of approximately £60 billion. We have supported regional pipelines in places such as South Yorkshire, London and Scotland, strengthened local capability through targeted training and technical assistance, and convened a single national conversation between local authorities, institutional investors and central government.

“ These achievements matter not only individually, but collectively. Together, they have helped shift the narrative: from Net Zero as a cost to be borne, to Net Zero as a long-term investment opportunity capable of driving growth and jobs, reducing fuel poverty, improving places, and positioning the UK as a leader in green finance. As this report demonstrates, the wider investment environment has also evolved. Government has increased its commitment through initiatives such as the Warm Homes Plan, Great British Energy and the National Wealth Fund. Institutional investors have strengthened their Net Zero mandates. Public support for climate investment remains high. The conditions for scale are stronger today than they were in 2021.

3Ci was never intended to be permanent. It was designed to catalyse, demonstrate and de-risk, and then to embed its learning within enduring institutions. This report therefore marks both a conclusion and a transition. The legacy of 3Ci lies in the partnerships it has built, the tools and pipelines it has developed, and the confidence it has helped create between the public and private sectors. The next phase is about implementation at scale. Through the Local Net Zero Finance and Investment Group (LNZFIG) and continued collaboration between government, investors and places, the priority now is to move from innovation to mainstreaming, delivering demonstrators, strengthening pipelines, and ensuring that capital flows to projects on the ground.

The Net Zero transition will only succeed if it is investable, place-based, and perceived as fair. That requires sustained partnership, technical capability and financial innovation. The foundations have been laid. The task now is delivery. I would like to thank the founders, funders, members and delivery partners whose commitment and leadership have made this work possible, and the Connected Places Catapult team who have supported the Commission throughout its journey.

**Greg Clark CBE**

Chair, Cities Commission for Climate Investment - 3Ci  
Chair - Connected Places Catapult



# Acknowledgements

**The Cities Commission for Climate Investment (3Ci) has been a collective endeavour. Its achievements reflect the leadership, commitment and collaboration of partners across local government, the finance sector, industry, academia and national government.**

3Ci was founded through the shared vision of Connected Places Catapult, Core Cities UK and London Councils, working closely with UK Government to address the challenge of mobilising private investment into local Net Zero delivery. We are grateful to the founders, funders and members whose expertise and sustained engagement shaped the direction and impact of the Commission.

We would like to recognise the leadership of Greg Clark CBE as Chair of 3Ci, whose convening, advocacy and strategic guidance have been central to the Commission's development.

We are grateful to the members of the 3Ci Advisory Board, Steering Group and Private Sector Taskforce for their strategic guidance, challenge and leadership throughout the programme. Their willingness to work across institutional boundaries helped shape practical solutions and strengthened trust between the public and private sectors.

The successful delivery of 3Ci has been made possible by the expertise and commitment of the Connected Places Catapult team and delivery partners who contributed at different stages of the programme. We are particularly grateful to **Steve Turner, Zoe Jennings, Paulius Mackela, Grant Aaron, Helena Downey, Mariana Berganton, Jessica Lang, Susan Newman, Ian Binns, Chris Murray, Shelley Nania, Natasha Schlichtkrull, Darren Pangbourne, Anna Watson, Athanasios Grammatikopoulos, Silvia Peneva, Melissa Clarke, Gayle Brandon-Kirby, Vasant Chari, James Cushing**, among many others whose leadership, expertise and commitment have been instrumental to 3Ci's impact and legacy.

3Ci demonstrates what can be achieved through sustained collaboration between place and capital. The partnerships built through the Commission will continue to underpin the next phase of local Net Zero delivery.

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# Executive summary

## 3Ci is recognised as a leading UK model for place-based Local Net Zero investment, convening the UK's place leaders and investment community around a shared mission to achieve Net Zero.

The central challenge 3Ci was created to address is increasing the pace and scale of private investment into Local Net Zero projects. Its founders – initially London Councils, Core Cities UK and Connected Places Catapult (CPC) – recognised that without additional private investment, Net Zero simply could not be achieved. The scale of the investment requirement (£206 billion for the 3Ci founding councils alone and £1.4 trillion for the UK as a whole) is far beyond the capacity of the public purse.

In working to meet this challenge, 3Ci has been widely cited as distinctive and unique, including by organisations such as C40, for its bottom-up, place-led approach, built through strong local leadership. From the outset, 3Ci sought to complement and support UK Government policy and programmes, helping to catalyse a new wave of activity resulting in on-the-ground impact, policy innovation, and increased investor engagement with new financing models, alongside the development of an investable project pipeline.

An opportunity now exists to build on this platform to accelerate large-scale commercial, concessional and other investment into local Net Zero projects, unlocking jobs and growth while further strengthening the UK's position as a global centre for green investment. This next phase will be taken forward in partnership with DESNZ.

The programme initiated by 3Ci has had material impact which, alongside the programmes of Government, its agencies and local authorities, has helped reshape the landscape of local Net Zero investment across the UK over the past four years (see Sections 2 and 3 of this report).

3Ci's programme has included the development and testing of innovative delivery and investment models, notably Net Zero Neighbourhoods (NZNs); the creation of a National Net Zero Project Pipeline; targeted capacity-building for local authorities; and a sustained programme of convening, publications and knowledge-sharing for project owners and investors.

Whilst the impacts of its individual programmes have been significant, 3Ci's most enduring contribution has been its convening role, bringing together 'the power of place with the logic of capital' to establish a shared national conversation between representatives of UK local government, investors and the private sector, alongside central government and its agencies.

This report marks the conclusion of 3Ci's initial phase as a time-limited, catalytic programme, established to test, demonstrate and de-risk new approaches to Local Net Zero investment. As the policy and delivery landscape has matured, the focus now shifts from innovation and proof-of-concept to mainstreaming and scale, with 3Ci's learning, partnerships and tools being taken forward through government-led and partner-owned mechanisms.

3Ci's founders, funders and members deserve recognition for driving this work forward. Without their ideas, tenacity, commitment and collective resources, this progress would not have been possible. 3Ci's collective impact includes the following key achievements:

- **Net Zero Neighbourhoods (NZN) Outline Business Case and Prospectus:** A Treasury Green Book-compliant Outline Business Case for an innovative neighbourhood decarbonisation model, funded with £1.5 million by BEIS (now DESNZ); 40 NZN projects across 35 local authorities, covering approximately 170,000 homes and 380,000 people, with an estimated 16% of homes in fuel poverty and 59% social or privately rented.
- **Net Zero Investment Task Force:** Chaired by Catherine McGuinness CBE, producing a report setting out practical actions to improve the investability of local Net Zero projects, with a particular focus on housing retrofit.
- **NZN Investment Memorandums:** Covering 4,917 properties in Glasgow and 3,368 in Hounslow, with £35.5 million investment potential in Hounslow and £148.1 million in Glasgow; developed to commercial standards with KPMG, stress-tested by Barclays, and now in active discussion with the National Wealth Fund.
- **London Net Zero Neighbourhood Programme Outline Business Case:** Co-designed by 3Ci and Living Places with 11 London boroughs, setting out a programmatic approach capable of delivering 20,000 retrofits and £411 million of private finance over five years, with the potential to scale to 50,000 retrofits per year and over £2.7 billion across an eight-year horizon.
- **National Net Zero Pipeline:** A pipeline of over 1,200 projects with a total value of approximately £60 billion, presented in a common format for the first time, assessing investability and pathways to private investment across around 10% of schemes.
- **Regional pipeline development in South Yorkshire:** Working with South Yorkshire Combined Authority, Barnsley Metropolitan Borough Council, City of Doncaster Council and Sheffield City Council to identify 33 projects valued at £2.6 billion.
- **'Net Zero Future: 3Ci's Collaborative Journey with Scottish Cities' report:** Published with the Scottish Cities Alliance, outlining the investment opportunity across 117 projects in eight geographic areas, collectively valued at £8 billion, with around 10% ready for implementation.

- **Capacity-building and skills development:** Delivery of six training programmes, supporting 88 local authorities, with 130 places offered, alongside a UK-wide assessment of local authority capacity needs.
- **Knowledge sharing and engagement:** Delivery of 48 events with over 2,000 attendees, publication of 11 case studies and 12 reports, production of 50 podcasts, engagement of around 3,000 monthly newsletter and social media subscribers, and approximately 500,000 website visits.
- **Community engagement and just transition:** Development and publication of practical guidance on community engagement for Local Net Zero projects, informed by investor, local authority and community perspectives, highlighting the role of community buy-in in reducing delivery risk, supporting investability, and ensuring a just and inclusive transition.
- **International profile and influence:** Showcasing UK place-based Net Zero innovation on the international stage, including through COP26 and subsequent COPs, New York Climate Week and London Climate Action Week, helping to position UK cities and regions as credible partners for global capital and to share learning on scalable local Net Zero delivery models.



## Conclusions: Realising the Opportunity

**The Net Zero investment landscape has advanced rapidly in recent years. Investor interest is stronger, ambition across cities and regions has increased, and Net Zero is increasingly understood as a long-term investment opportunity. However, significant barriers remain. Investment flows to projects, not strategies, and cities and regions still require the institutions, capabilities and enabling conditions to move ideas into commercially investable propositions.**

The UK Government's Local Net Zero Finance and Investment Group (LNZFIG), reporting into the Ministerial Local Net Zero Delivery Group and co-chaired by 3Ci, provides a timely mechanism to help address these challenges. Drawing on lessons from 3Ci's work and the views of public and private stakeholders, the following actions should guide the next phase:

- 1. Building trust between the public and private sectors:** Sustaining structured dialogue that aligns local capability, investor appetite and national priorities, building on the convening role that has underpinned progress to date.
- 2. Delivering innovative financing demonstrators:** Taking models such as Net Zero Neighbourhoods through to successful delivery at scale, with active sharing of lessons to support replication and mainstream adoption.
- 3. Improving pipeline quality and investability:** Addressing persistent barriers around project aggregation and scale, policy and revenue certainty, replicability, early investor and community engagement, and access to blended finance combining public and private capital.
- 4. Strengthening technical assistance and capacity building:** Providing clearer, pooled and targeted support to local and regional authorities to accelerate project development and unlock additional investment.
- 5. Maintaining UK-wide collaboration:** Continuing structured dialogue and knowledge-sharing across the four UK nations to enable faster replication of effective delivery and investment models.
- 6. Extending learning beyond Local Net Zero:** Applying principles developed through 3Ci – pipeline development, risk reduction and public-private partnership – to support investment in other place-based infrastructure and growth priorities.

The opportunity now is to build on the platform established through 3Ci to accelerate large-scale commercial and other investment into Local Net Zero projects, unlocking wider local and national benefits. This will require sustained, coordinated action across national, regional and local government, working in partnership with the finance sector.

# 3Ci's Journey: From Challenge to Opportunity

## Defining the Challenge

The founders of 3Ci – initially London Councils, Core Cities UK and Connected Places Catapult (CPC) – recognised that without additional private investment, Net Zero simply could not be achieved. The scale of the investment requirement – £206 billion for the 3Ci founding councils alone and £1.4 trillion for the UK as a whole – is far beyond the capacity of the public purse.

To respond effectively, 3Ci was established as a neutral convening platform, able to understand and articulate the needs of local and national government, investors and communities. In practice, this meant addressing a set of interlinked challenges:

- **Convening:** Bringing local, regional and national government together with investors to build shared understanding and develop solutions that work across sectors.
- **Investable pipeline:** Developing a pipeline of projects at sufficient scale to attract major investment, requiring consistent assessment, data and the ability to bundle projects.
- **Capacity:** While investors have capital allocated to Net Zero, local authorities often lack the specialist capacity needed to bring projects to investment grade.
- **Demonstrating innovation:** Traditional delivery and financing models, particularly in areas such as housing retrofit, often fail to generate returns sufficient to attract private capital, creating a need to test and demonstrate innovative approaches.
- **Place-based delivery:** Aligning local and national funding and policy within places to unlock investment across multiple asset classes and deliver wider socio-economic and environmental benefits.
- **Community engagement:** Communities are central to Net Zero delivery but can feel excluded from its design. Early and meaningful engagement is essential, as the financial and governance models adopted now will shape outcomes for communities for decades and must support a Just Transition.

Together with partners and stakeholders, 3Ci embarked on a journey to address these challenges, and has delivered tangible results, informed national policy, and is creating a lasting legacy for places, communities and investors



## A growing consensus

3Ci, the Cities Commission for Climate Investment, was initiated by Connected Places Catapult, Core Cities UK and London Councils, working closely with UK Government. From the outset, it brought together banks, insurers, pension funds, venture, social and ESG investors, and quickly expanded to include the UK Mayors Network, Key Cities Group, the Scottish Cities Alliance, County and District Councils, and the Local Government Association. Corporate members have included Ameresco, Arup, Harworth Group, Jacobs, KPMG, Mott MacDonald, NatWest and others.

This breadth of participation underpinned 3Ci's credibility as a neutral, UK-wide platform.

## Shifting the Narrative

The concept that became 3Ci emerged at a time when Net Zero was increasingly framed as a cost and inconvenience rather than an opportunity, placing further pressure on already stretched public finances and household budgets. A reframing was required.

3Ci's initial objective was to shift the narrative from Net Zero as a cost to Net Zero as an investment opportunity. In advance of its launch at COP26 in Glasgow in 2021, 3Ci published its City Investment Analysis Report<sup>1</sup>, setting out a commercial investment opportunity of over £200 billion for the founding partners alone and identifying the types of models capable of delivering at this scale.

While similar ideas were already under discussion across government and industry, the analysis provided a concrete, place-backed articulation of the opportunity, supported by local leaders and investors, and a practical roadmap for delivery.

## Convening the 'Power of Place and the Logic of Capital'

Despite growing interest, both local authorities and investors identified the need for a more structured and trusted dialogue between the public and private sectors to better understand respective constraints, incentives and risk perceptions.

Working in partnership with UK Government was a core principle from the outset. At launch, Government committed £1.5 million to fund an Outline Business Case for an innovative financing model – Net Zero Neighbourhoods (NZNs) – signalling confidence in both the approach and the partnership.

Responding to strong demand from local authorities, 3Ci rapidly expanded beyond its founding partners to include representation from across almost the whole of UK local government, alongside banks, insurers, pension funds, venture, ESG and social investors. This created the basis for the 'single national conversation' between place and capital that has underpinned 3Ci's work.

<sup>1</sup> City Investment Analysis Report – 3Ci

## Innovation and Influence

A persistent challenge was the mismatch between what local authorities considered investable and what investors required in order to deploy capital at scale. Despite having capital allocated to Net Zero, investors were often unable to invest in available projects, leaving local ambitions unrealised.

From its inception, 3Ci focused explicitly on addressing this ‘investability gap’, translating it into a programme of work centred on:

- the development of new financing and delivery models;
- improving the quality and structure of project pipelines; and
- strengthening local capacity and skills.

The impacts of this programme are set out in detail in Section 2. In parallel, 3Ci worked closely with Government, Whitehall and delivery agencies – initially including DESNZ and Innovate UK – to inform and support national policy and programme development.

## From Prospectus to Demonstration

From an early stage, it was clear that demonstration would be critical to building investor confidence, particularly given limited availability of public funding. A national call for NZN projects resulted in the publication of 40 opportunities in a Prospectus<sup>2</sup> in December 2023, alongside a series of regional pipelines developed using a common methodology designed to support aggregation and scale.

A pivotal moment came with the launch of 3Ci’s Net Zero Investment Task Force, chaired by Catherine McGuinness CBE, and its report *From Challenge to Opportunity: Unlocking a UK-wide Net Zero Dividend*<sup>3</sup> in March 2024. The Task Force not only supported refinements to the NZN model to improve its investability, but also prompted practical offers of support from investors, including the development of investment terms for live projects.

Several NZN demonstrators – notably in Glasgow and Hounslow – are now benefitting directly from this work, with learning intended to inform wider replication. In parallel, the tools developed for the National Net Zero Pipeline are being applied to live regional pipelines, bringing more Local Net Zero projects closer to market.

## Opportunity and Legacy

As 3Ci’s innovations gained traction, the 2024 General Election and the formation of a new UK Government marked a shift in the policy and institutional landscape, with renewed emphasis on Net Zero delivery and mobilising private investment.

In the run-up to the election, 3Ci engaged with all main political parties, offering evidence and policy support. Engagement has continued with the Government in office, with proposals aligned to emerging priorities, including evidence that models such as NZNs could deliver up to three times as many retrofits per £1 of public investment, supporting the Warm Homes Plan.

In Autumn 2024, discussions with DESNZ Ministers led to agreement to develop proposals for a Transition Programme, aligning 3Ci’s principles, partnerships and learning more closely with national programmes. The establishment of the Local Net Zero Finance and Investment Group (LNZFIG), reporting into the Local Net Zero Delivery Group, is a key outcome of this process.

Alongside this, Connected Places Catapult remains committed to supporting LNZFIG and wider work across the finance and investment landscape. Together, these arrangements provide a clear legacy for 3Ci: sustaining its coalition, embedding its learning, and supporting joint delivery between government, local authorities and the private sector to scale innovative financing models and investable pipelines.

By connecting more closely with Government, the legacy of 3Ci’s work can also support wider national Missions and strategies, including Growth, Employment, Industrial Strategy, Devolution, Health and Housing.



<sup>2</sup> The UK Net Zero Neighbourhood Prospectus - 3Ci

<sup>3</sup> From Challenge to Opportunity: Unlocking a UK-wide Net Zero Investment Dividend

# 3Ci's Journey: From Challenge to Opportunity

## Unlocking the Power of Place

3Ci's programme was designed around four core priorities identified by its partnership to address the challenges set out in Section 1. Place-based delivery and community engagement sit at the centre of this approach – not as optional features, but as critical enablers of investable, scalable Net Zero solutions.

This principle was reinforced through the Net Zero Investment Task Force's assessment of the Net Zero Neighbourhoods (NZN) model for housing retrofit. Investors consistently highlighted that community engagement is fundamental to delivery, revenue certainty and investability. Failure to secure community buy-in risks undermining retrofit programmes and the cashflows required to attract private finance. These findings are reflected in 3Ci's 2024 report *The Path to Net Zero: Three Steps for Effective Community Engagement*<sup>4</sup>.

This emphasis on place-based delivery aligns with wider evidence and policy direction. Chris Skidmore MP's *Mission Zero* review (2023) highlighted the need to “empower people and places to deliver”, noting that place-based approaches generate stronger public support and better economic outcomes. The Climate Change Committee has similarly concluded that around one third of UK emissions are shaped or influenced by local government, requiring more aligned local action.

Recent policy developments further reflect this shift, including the English Devolution and Community Empowerment Bill and comparable approaches across the devolved administrations, such as Scotland's Climate Delivery Framework. The UK Government's Warm Homes Plan also reflects this direction, recognising the importance of locally delivered, place-based approaches to accelerating housing retrofit, tackling fuel poverty and improving energy efficiency at scale.

Aligning national policy and funding with local delivery has been shown to be more effective than purely national approaches, with estimates suggesting that empowering local action could save up to £140 billion in public costs while delivering £400 billion in wider societal benefits<sup>5</sup>.

Net Zero Neighbourhoods exemplify this approach, combining place-based delivery with investor-ready models that reduce reliance on public subsidy while delivering social, economic and environmental benefits for communities.

## Net Zero Neighbourhoods

### What are Net Zero Neighbourhoods?

Net Zero Neighbourhoods take a multi-asset, place-based approach to decarbonisation, spanning domestic and commercial retrofit, renewable energy, transport and waste. While the concept operates across multiple sectors, the NZN Outline Business Case (funded by BEIS, now DESNZ) focused initially on domestic retrofit, reflecting:

- the scale of housing retrofit as the largest component of local Net Zero investment need;
- the limitations of subsidy-heavy and household debt-based models; and
- the potential for retrofit to address fuel poverty and cost-of-living pressures.

The NZN retrofit model places communities and local authorities at its core, delivering multiple interventions at neighbourhood scale to achieve efficiency and scale. It combines public, private and outcomes-based finance, captures a share of energy savings to generate revenues, and operates on a ‘no upfront cost to owner or tenant’ basis, while linking to wider regeneration priorities.

By reducing subsidy requirements and improving commercial viability, NZNs can deliver up to three times as many retrofits per £1 of public investment compared to traditional approaches, while improving quality of life, reducing bills and creating local employment.

### Summary of Progress and Impact

A major inflection point in the development of NZNs was the decision by UK Government to invest £1.5 million in a Treasury Green Book-compliant Outline Business Case and to commission 3Ci to deliver it. This intervention catalysed the NZN model, strengthened its commercial credibility, and informed the development of DESNZ's Local Net Zero Accelerator programmes.

Since 2021, NZNs have progressed from early concept to a detailed business case, been tested and refined through the Net Zero Investment Task Force, generated a portfolio of 40 potential projects across the UK, and advanced two schemes into detailed Investment Memorandum stage<sup>6</sup>, positioning them for demonstration and investment

Further detail on governance, market testing, investment readiness and scaling through the London programme is set out below.

<sup>4</sup> The Path to Net Zero: Three Steps for Effective Community Engagement

<sup>5</sup> Accelerating Net Zero Delivery Unlocking the benefits of climate action in UK city-regions

<sup>6</sup> Mobilising investment for local Net Zero

### 3Ci's Net Zero Investment Taskforce<sup>7</sup>



Chaired by Catherine McGuinness CBE, the Net Zero Investment Task Force brought together senior expertise to test the NZN model from a private investor perspective. Membership included:

- UK Finance, representing over 300 banking and financial services firms;
- four commercial banks and one major global institutional investor;
- the Building Societies Association, representing 42 societies with over £352 billion in assets;
- two government infrastructure banks and the Association of British Insurers;
- the British Property Federation, British Private Equity & Venture Capital Association and ICAEW;
- the Local Government Association, City of London Corporation and the Green Finance Institute.

### Net Zero Neighbourhood Prospectus: Demonstrating Market Appetite



- First UK-wide collection of local housing retrofit and decarbonisation projects.
- Over 100 local authorities attended the proposals webinar, with 50+ submissions received.
- 40 NZN opportunities identified across 35 local authorities.
- Approximately 170,000 homes, of which 59% are social or privately rented.
- Around 16% of homes estimated to be in fuel poverty.
- Tens of millions of pounds secured or reserved to support project development.

7 From Challenge to Opportunity: Unlocking a UK-wide Net Zero Investment Dividend

### NZN Investment Memorandums<sup>8</sup>:



- Covering 4,917 properties in Glasgow and 3,368 in Hounslow.
- Estimated capex investment potential of £35.5 million in Hounslow and £148.1 million in Glasgow.
- Developed to commercial standards with KPMG and stress-tested by Barclays.
- Active discussions underway with the National Wealth Fund.

### London Councils' Net Zero Neighbourhood Programme<sup>9</sup>:



- Programme design: Published in November 2025, the programme was co-designed by 3Ci and Living Places with 11 London boroughs, setting out a structured, repeatable approach to delivering Net Zero Neighbourhoods across London.
- The 11 boroughs were: Hounslow, Lambeth, Camden, Greenwich, Islington, Newham, City of Westminster, Barnet, Lewisham, Brent, Kensington and Chelsea. The programme has broader support across all of London local government.
- Delivery at scale: The programme is designed to deliver 20,000 home retrofits over five years, with the potential to scale to 50,000 retrofits per year, providing the volume and consistency required to attract long-term private investment.

8 Mobilising investment for local Net Zero

9 London Net Zero Neighbourhood Programme

## National Net Zero Project Pipeline

### What is the National Net Zero Pipeline?

A persistent barrier to Net Zero investment has been the lack of clear, comparable insight into local project opportunities. International organisations including the UN, OECD and IEA have consistently highlighted the importance of structured, investment-focused pipelines to mobilise capital at scale<sup>10</sup>.

3Ci's National Net Zero Pipeline is the first UK-wide pipeline of its kind, mapping over 1,200 local projects with a combined value of approximately £60 billion across six asset classes. It enables aggregation, comparability and financial innovation, improving alignment with large-scale private capital.

The Pipeline is designed to deliver:

- Accessibility, enabling identification of aggregated investment opportunities;
- Scalability, supporting collaboration and replication;
- Regional tailoring, reflecting local priorities within a common framework; and
- Innovation, by supporting new financing approaches.

### Summary of Progress and Impacts

The National Net Zero Pipeline, showcasing opportunities across all four nations of the UK, has been shared with a wide range of stakeholders, including the National Wealth Fund and GB Energy, major banks and pension funds, central government departments and private sector partners. Through a combination of data, tools and guidance, 3Ci has established a replicable pipeline model that is now being adopted, refined and developed by local and regional authorities across the UK to meet both national and regional priorities.

To support replication and scale, 3Ci developed a suite of open-access tools, including:

- project data templates and supporting guidance;
- investor-tailored project factsheets;
- guidance on quantifying carbon emissions and savings; and
- a standardised project maturity framework to assess investment readiness.

The Pipeline is intentionally designed to be dynamic rather than static, with value increasing as data quality improves and projects progress through development stages. London's original 2021 pipeline was refreshed in 2024, expanding coverage to 31 of London's 33 local authorities and identifying an investment requirement of approximately £35 billion.

A multi-authority pipeline working group, comprising 3Ci, London Councils and the Greater London Authority's Infrastructure and Green Finance teams, led this refresh, focusing on improving data quality while minimising additional reporting burdens for local authorities.

In January 2024, 3Ci worked with the Scottish Cities Alliance to publish Net Zero Future: 3Ci's Collaborative Journey with Scottish Cities<sup>11</sup>. The report sets out investment activity across 117 projects in eight geographic areas, with a combined value of approximately £8 billion. The participating local authorities represent a population of 2.25 million, 1.05 million households, and a combined GDP of £89.4 billion.

## Closing the Investability Gap in South Yorkshire



3Ci worked with South Yorkshire Combined Authority, Barnsley Metropolitan Borough Council, City of Doncaster Council and Sheffield City Council to develop a regional pipeline of 33 projects, with a combined value of £2.6 billion. Alongside the pipeline, tailored community and investor engagement reports were produced, setting out practical approaches to securing local buy-in and improving investability.

A leading consultancy partner supporting 3Ci provided pre-feasibility support to schemes within one local authority. Following successful testing of this approach, several other authorities are now scheduled to participate. The project was nominated for an award in the Local Government Chronicle Net Zero category.



<sup>10</sup> Key reports include the following: Developing Robust Project Pipelines for Low-Carbon Infrastructure | OECD Improving the Landscape for Sustainable Infrastructure Financing | OECD Net Zero by 2050 – Analysis - IEA

<sup>11</sup> Net Zero Future: 3Ci's Collaborative Journey with Scottish Cities

### Technical Assistance for Investable Places

The UK Climate Change Committee estimates that around one third of the UK’s emissions are shaped or influenced by sectors under local authority control. However, many local authorities lack the specialist financial, commercial and delivery capacity required to develop the locally based, multi-asset investment programmes needed to achieve efficient and scalable carbon reduction.

3Ci’s City Investment Analysis Report<sup>12</sup> identified a consistent gap in resources and capabilities within local authorities to implement Net Zero projects and deliver climate action plans. This was explored in depth through the NZN Outline Business Case, which highlighted the need for a coordinated national approach to capacity building and technical assistance.

In response, 3Ci worked with the Green Finance Institute and other partners to scope a National Technical Assistance Facility to support place-based Net Zero delivery. The aim was to create a single, coherent access point to technical expertise, tools and support, reducing fragmentation across existing provision and enabling local authorities to progress projects more efficiently towards investment readiness.

Alongside this, 3Ci delivered a programme of free training courses, in partnership with the University of Oxford and Apolitical, to strengthen skills across local and national government. These courses focused on practical delivery and investment capability, including:

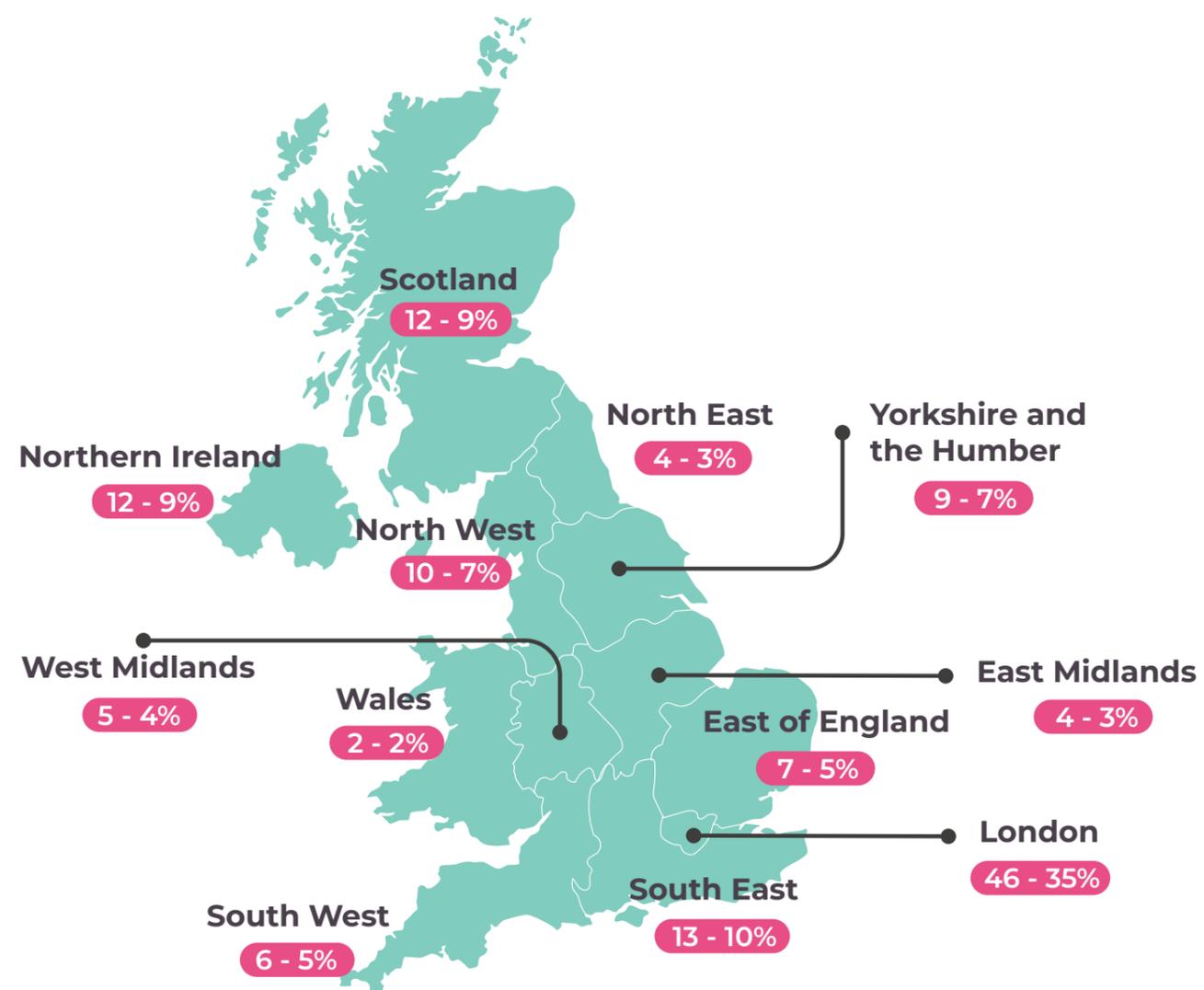
- **Foundations of Delivery:** Core skills and tools for effective project delivery across the project lifecycle.
- **Public Servants and Climate Change:** Practical knowledge and tools to support Net Zero policy and delivery.
- **Introduction to Sustainable Finance:** Essential concepts and approaches to sustainable investment decision-making.
- **Centring Equity in Climate Action:** Integrating equity and fairness into climate policy and delivery.
- **Climate Finance:** Strategies to mobilise and scale finance flows for Net Zero.
- **Introduction to the Energy Transition for Policymakers:** An overview of decarbonisation, decentralisation and digitalisation.



### Meeting the knowledge and skills gap

- Six training programmes delivered.
- 88 local authorities and government bodies supported across the UK.
- High demand: 130 places offered and 254 applications received.
- Training complemented by a wider suite of learning resources, including case studies, guidance and podcasts available via the 3Ci website.

Successful applicants per region: 130 Applicants



## Knowledge Hub and Convenor

3Ci's most distinctive contribution to Local Net Zero investment has been its role as a knowledge hub and convenor, bringing together 'the power of capital and the logic of place'. Stakeholders consistently cite this single, trusted forum as a key factor in building confidence to engage in Net Zero dialogue, project development and investment.

This convening role has been delivered through formal governance structures, including an Advisory Board and Steering Group, alongside a sustained programme of engagement activities. 3Ci has brought together project owners, local authorities, investors and delivery partners to test ideas, share learning and accelerate investable opportunities. This has included Regional Investor Events in Bristol, Yorkshire, the North East, Glasgow and London, designed to build mutual understanding and reduce barriers between place leaders and the investment community.

Beyond the UK, 3Ci has also played a role in showcasing UK place-based Net Zero innovation internationally, including through COP26 and subsequent COPs, New York Climate Week and London Climate Action Week. These platforms have helped position UK cities and regions as credible partners for global capital and facilitated the exchange of learning on scalable local Net Zero delivery models.

Through its website, publications, podcasts and newsletters, 3Ci has also acted as a knowledge broker, sharing practical examples of local innovation. Case studies have highlighted approaches such as the London Borough of Sutton's use of local tax incentives to support SME retrofit, Coventry's Strategic Energy Partnership, and Leeds' approach to bundling retrofit interventions across multi-tenure neighbourhoods.

### Since 2023, 3Ci has:

- Hosted 48 events, attracting over 2,000 attendees, including Regional Investor Events and participation at COPs, New York Climate Week and London Climate Action Week.
- Published 11 local authority case studies and 12 reports demonstrating innovation in delivery and the case for place-based Net Zero investment.
- Disseminated a monthly newsletter to around 3,000 subscribers.
- Built an online audience of approximately 3,000 LinkedIn followers.



## 3Ci Publications

Between October 2021 and December 2025, 3Ci published 12 reports and 24 articles covering key aspects of its programme, with a particular focus on Net Zero Neighbourhoods. In December 2025, 3Ci launched Mobilising Investment for Local Net Zero: Insights for Developing Net Zero Memorandum<sup>13</sup>, providing practical guidance for local authorities on developing investor-ready propositions, informed by real-world testing in Glasgow and Hounslow.

### A Unique and Lasting Impact

As set out in the following section of this report, the landscape for local Net Zero investment has evolved significantly since 3Ci's inception. This shift reflects a cumulative and collective effort across government, local authorities, investors and delivery partners, responding to growing ambition and appetite for investment across places and markets. No single organisation can claim responsibility for this change.

Additional publications have addressed the UK Net Zero Pipeline, community engagement<sup>14</sup> and Community Municipal Investments<sup>15</sup>, supporting local authorities to tailor approaches to local circumstances and capacity. With approximately 500,000 website visits, these resources demonstrate strong demand for practical, place-based guidance and the wider impact of 3Ci's work.

However, it is clear that 3Ci has made a distinct and material contribution. Through the impact of its programme and, in particular, its unique public-private coalition, 3Ci has helped increase clarity, confidence and momentum around Local Net Zero investment. Many stakeholders regard 3Ci as one of the most significant UK outcomes of COP26: an initiative that emerged at a moment of shared need, sharpened the focus on financial innovation, and brought the opportunity for investment in Local Net Zero – and the benefits this delivers – materially closer to realisation than was the case in 2021.

<sup>13</sup> Mobilising investment for local Net Zero

<sup>14</sup> The Path to Net Zero: Three Steps for Effective Community Engagement - Connected Places Catapult

<sup>15</sup> Community Municipal Investments (CMIs): Mobilising local and institutional capital for growth and Net Zero - Connected Places Catapult

# The Road Ahead: A New Landscape of Local Net Zero Innovation

## The Emerging New Landscape

Alongside 3Ci's work, a significantly expanded landscape of support for Local Net Zero investment has emerged across the UK over the past four years. This landscape is beginning to better align the commitment, ideas and resources of the public and private sectors within frameworks that recognise the central role of local and regional government in delivery.

Since COP26, a series of reports have consistently highlighted the need for innovative financing demonstrators to unlock private investment at scale. From 2024 onwards, the UK Government has responded through a set of major policy and spending commitments, signalling a more coordinated and investment-focused approach. Some of these include:

- £14.7 billion for the Warm Homes Plan;
- Great British Energy, including a £10 million Mayoral Renewables Fund, with ambitions to unlock £15 billion of private investment through its wider programme;
- establishment of the National Wealth Fund, capitalised at £27.8 billion, with £3.6 billion deployed in its first year; and
- £19 million for Local Net Zero Accelerators.

Across the devolved nations, complementary investment frameworks have also been strengthened. The Scottish National Investment Bank, capitalised with £2 billion, has embedded Net Zero as a core mission, committing over £696 million to date and leveraging more than £1.4 billion in additional investment. Scotland's Social Housing Net Zero Heat Fund provides a further £200 million for housing retrofit.

In Wales, the Development Bank of Wales supports energy, retrofit and green business, alongside the £130 million Investment Fund for Wales, part of which will support the Net Zero transition. The Welsh Government has also announced an additional £14.1 million for the Optimised Retrofit Programme, bringing total funding to £107.1 million for 2025. In Northern Ireland, the Northern Ireland Investment Fund, capitalised with £150 million, has committed £30 million to date, crowding in over £45 million of private investment.

Against this backdrop of increased public investment and institutional support, several innovative financing models are now approaching delivery, providing the tangible evidence investors require to commit capital at scale. Many of the necessary elements are now in place; the priority is to drive demonstrators and pipelines through to completion, unlocking local and regional benefits, positioning the UK as a global leader in

green investment, and ensuring delivery supports a Just Transition. As the Climate Change Committee has noted, "only a transition that is perceived as fair, and where people, places and communities are well-supported, will succeed."

Further opportunities to align investment and delivery are provided by the English Devolution White Paper, Integrated Settlements, and City Region Deals across Wales, Scotland and Northern Ireland.

## A Changing Environment for Institutional Investors

The private investment community has not only maintained but increased its commitment to Net Zero investment. The Glasgow Financial Alliance for Net Zero (GFANZ) now brings together 650 financial institutions, representing around 40% of global private financial assets, all committed to achieving Net Zero financed emissions by 2050.

In the UK, the Association of British Insurers (ABI) estimates that its members could support up to one third of the £2.7 trillion of investment required to meet national carbon targets—equivalent to around £60 billion per year. The Institutional Investors Group on Climate Change (IIGCC) now represents over 400 organisations managing more than \$50 trillion in assets, with growing shifts away from fossil fuel exposure and towards Net Zero-aligned portfolios.

However, investors continue to emphasise that capital alone is not the constraint. The ABI has highlighted the need for:

- stronger and more consistent project pipelines;
- reduced complexity and friction in investment processes; and
- improved risk-adjusted returns for available opportunities.

Public support for Net Zero investment remains strong. A UKSIF-commissioned YouGov poll<sup>16</sup> found that 79% of Britons support pension investment in renewables, and the UK Government has announced plans to require Local Government Pension Schemes, projected to total £1 trillion by 2040, to target local growth priorities, including Net Zero.

16 Nearly 80% of Britons support their pension being invested in renewable energy – UKSIF

# Conclusions: Realising the Opportunity

**The Net Zero investment landscape has advanced rapidly in recent years. Investor interest is stronger, ambition across cities and regions has increased, and Net Zero is increasingly understood as an investment opportunity rather than solely a policy obligation. However, significant barriers remain. Investment flows to projects, not strategies, and cities and regions still require support to translate ideas into propositions that are commercially ready to engage the market.**

The UK Government's Local Net Zero Finance and Investment Group (LNZFIG), reporting into the Ministerial Local Net Zero Delivery Group and co-chaired by 3Ci, represents a timely opportunity to address these challenges and to move from innovation and experimentation towards delivery at scale. Drawing on the lessons from 3Ci's work and the perspectives of public and private stakeholders, the following priorities should guide the next phase.

- 1. Building trust between the public and private sectors:** Sustaining structured dialogue between local, regional and national government and investors has been central to progress to date. Continued collaboration will be essential, with LNZFIG well placed to help align local capability, investor appetite and national priorities more systematically.
- 2. Delivering innovative financing demonstrators:** Net Zero Neighbourhoods have demonstrated strong resonance with communities, local authorities and investors, with several projects now progressing towards investment. Successful delivery at scale, supported where appropriate by Government, is critical to underpin commercialisation, replication and wider roll-out, delivering impacts on fuel poverty, carbon reduction and job creation.
- 3. Improving pipeline quality and investability:** While progress has been made, a long-term pipeline of investable projects has yet to be achieved. Investors continue to highlight barriers around scale and aggregation, certainty and stability of returns and policy, replicability of delivery models, early engagement with project sponsors and communities, and access to blended finance aligned with government funding and guarantees.
- 4. Strengthening technical assistance and capacity building:** Local and regional authorities often lack specialist financial and commercial skills. Clearer, pooled and targeted technical assistance – including partnership with the private sector – is needed to move projects closer to proof of concept and unlock significant additional investment.

**5. Maintaining UK-wide collaboration:** 3Ci's UK-wide approach has been a clear strength. Continued dialogue and knowledge-sharing across the four UK nations will help ensure that progress in one place can be rapidly replicated elsewhere.

**6. Applying learning beyond Local Net Zero:** The principles underpinning Local Net Zero investment – pipeline development, risk reduction, aggregation and public-private partnership – are relevant to other asset classes and policy priorities. Learning from 3Ci's work can therefore support wider place-based investment and growth agendas.

The opportunity now is to build on the strong platform established through 3Ci to accelerate large-scale commercial and other investment into Local Net Zero projects, unlocking wider local and national benefits. Realising this opportunity will require sustained, coordinated action across national, regional and local government, working in partnership with the finance sector to translate ambition into delivery.



## Get involved



To discuss public–private investment solutions for decarbonisation, get in touch at [contact@3ci.org.uk](mailto:contact@3ci.org.uk)

Ready to accelerate innovation in transport, built environment, or public services?

### Connect with us:

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