

**MAYOR OF LONDON**

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# **Subregional Local Area Energy Planning (LAEPs)**

Handover crib sheet for borough leads

# PURPOSE

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- This handover crib sheet has been prepared by the GLA for use by the **borough leads** of Subregional LAEPs, as well as the GLA and London Councils.
- It provides **guidance** on next steps following completion of the Subregional LAEPs, including making use of the Subregional LAEP outputs and engaging internal colleagues following project completion.
- We advise that you become familiar with the content to adjust and refine the content you see necessary for circulating more widely with colleagues.

**Lead Boroughs:** CIEN Subregion (Camden); South Subregion (Merton and Southwark)

**Lead Borough Officers:** CIEN Subregion (Katherine Frost), South Subregion (Dominique Hill, Kasia McBride/Tom Sharland/Rachel Gates)

**All Boroughs:** All CIEN and South Subregional LAEP boroughs

**Borough leads:** designated lead contact/s in each borough for the Subregional LAEP

**Internal borough officers:** all relevant officers in each borough

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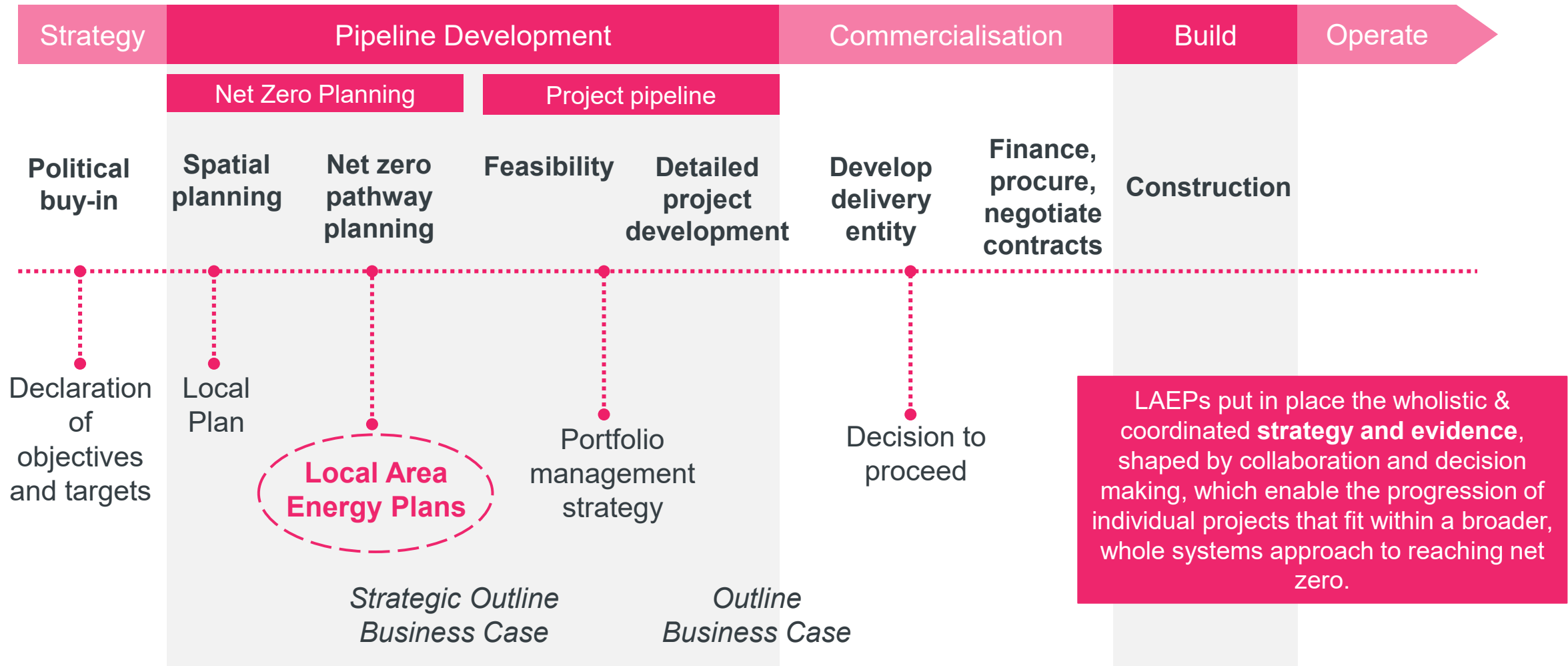
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1. [Journey to Net Zero & What is Local Area Energy Planning?](#)
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3. [Subregional LAEP Expected Outputs](#)
4. [Example Use Cases of LAEP Data](#)
5. [LAEP Next Steps](#) (socialising outputs and internal engagement)
6. [LAEP Pathways and Specification Development](#)
7. [Project Financing and Development](#)

## 1. Journey to Net Zero & What is Local Area Energy Planning?

# NET ZERO PROJECT LIFECYCLE



# LOCAL AREA ENERGY PLANNING IN THE LONDON CONTEXT

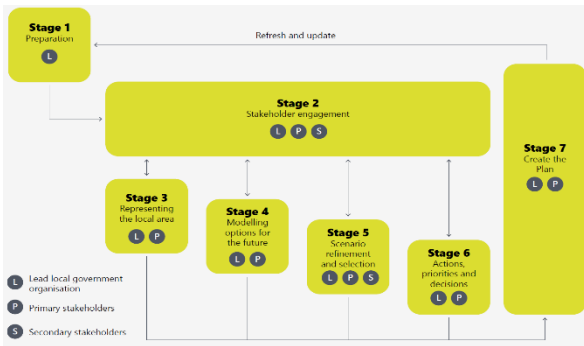


Image from Energy Systems Catapult

LAEP methodology was developed by Energy Systems Catapult, and has been adapted to the London context.

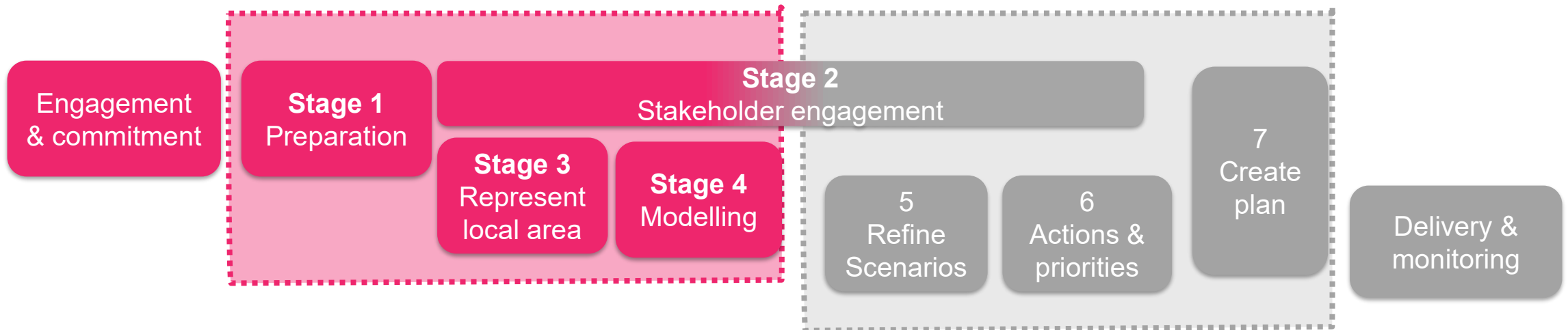
**Data driven** and **whole energy system, evidence-based approach** led by local government and developed collaboratively with defined stakeholders.

Sets out to identify the most effective route for a local area to contribute towards its net zero targets, translating targets to on-the-ground action in a coordinated way.

**Outcomes:** whole-systems strategy, evidence base for network investment and planning; and project prioritisation

**Phase 1 - Subregional (with funding and support by GLA)**

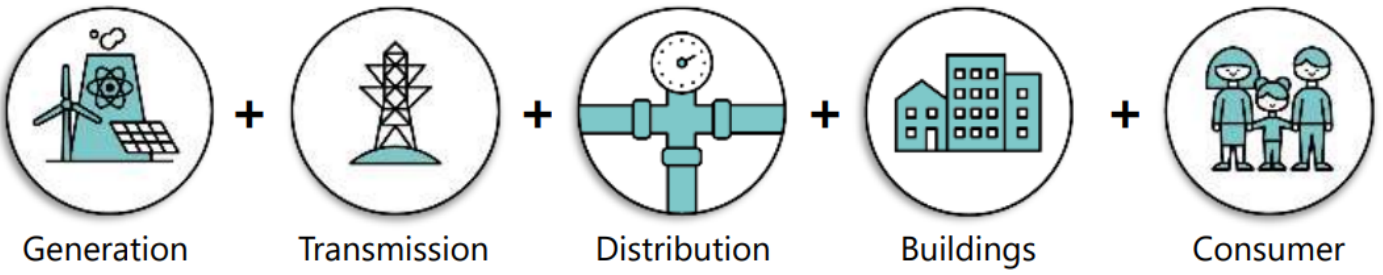
**Phase 2 – Borough-led and funded (ZCA support available)**



Data outputs from LAEPs will be hosted in the LAEP Datahub, a dedicated online platform.

# A WHOLE SYSTEMS APPROACH TO ENERGY PLANNING

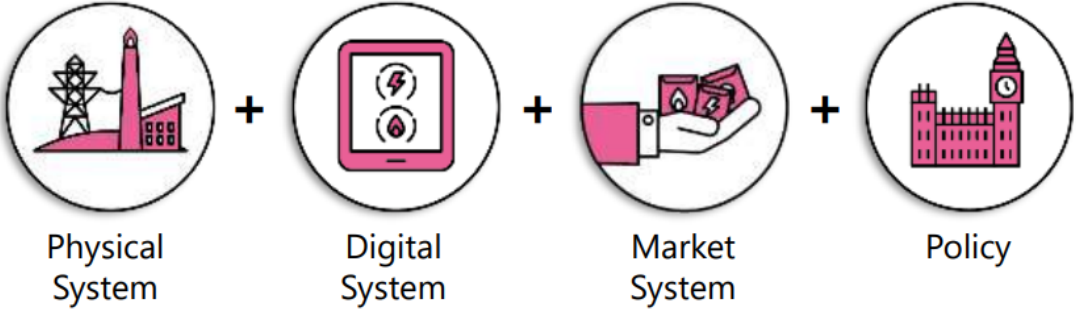
Joining up energy sources and consumers



Breaking down silos



Connecting physical requirements with policy, market and digital systems



# KEY TARGETS AND DECARBONISATION OPPORTUNITIES

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Mayor &  
Borough  
Net Zero  
Targets

Housing  
& Jobs  
Targets

LAEP Key decarbonisation opportunities:

**Fabric efficiency** – priority areas considering social indicators

**Heat networks** – Heat Network Zoning integration, cross-boundary opportunities

**Heat electrification** – Heat pumps, direct electric, replacement of gas boilers and cookers

**Transport** – EV chargers, public transport and mode shift

**Renewables** – PV delivery, rooftop and community solar, on-site usage

**Flexibility of demand** – understand and alleviate constraints, flexibility services

# BENEFITS OF LAEPS

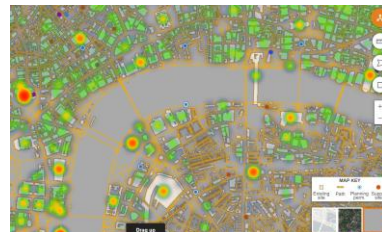
## LAEPs context

- An Energy System Catapult LAEP approach, supported by **Ofgem**, **UK100** and statutory in **Wales**.
- Multiple LAEPs already in place across England: Peterborough; West Midlands; Greater Manchester etc
- LAEP adjacent processes exist too – Scotland statutory Local Heat & Energy Efficiency Strategies, Bristol Leap.
- LAEPs enable local authority officers to progress and deliver against **locally, politically committed net zero targets**.



## Benefits

- **DNO collaboration** – creates a consistent evidence base to inform and influence electricity network planning.
- **Local Plan** – informs policy, site allocations (using future electricity demand & network headroom)
- **Heat network zoning** – provides information on heat sources, existing networks, areas of viability.
- **Low Carbon Technology project identification & roll out** – locations for heat pumps, EV charge points, Solar PV.
- **Building retrofit** – informs priority areas (fuel poverty, energy demand, EPC).
- **Strategic Business case** – evidence for funding applications.



# GLA CURRENT ENERGY PLANNING PRIORITIES

The GLA will continue to progress the priorities listed below and welcomes continued borough engagement with us on these.

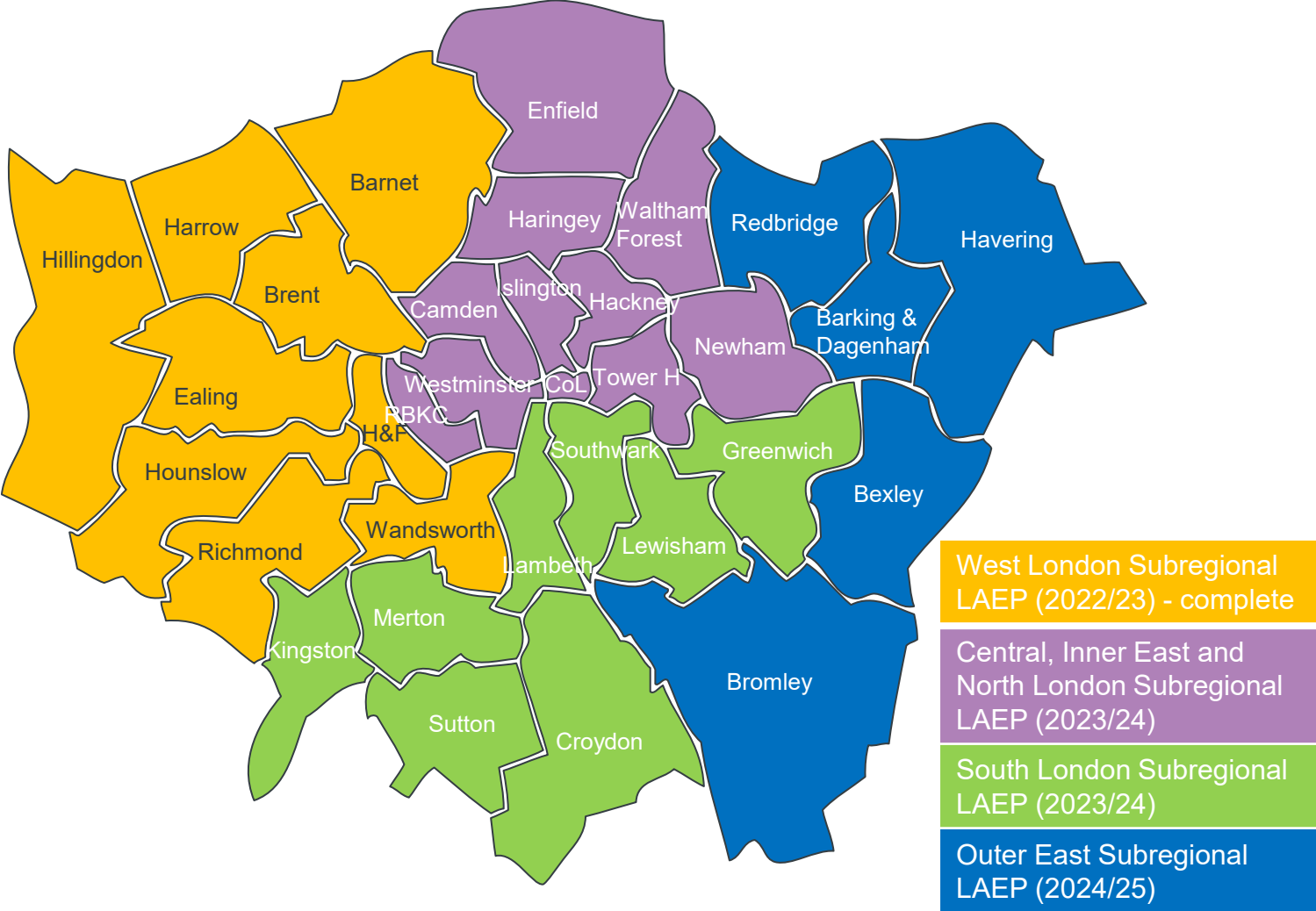
Continue rollout of Subregional LAEP approach\*

Support implementation of Subregional LAEPs with follow-on studies

Develop London LAEP DataHub and associated energy datasets and models

Integrate and support Advanced Zoning Pilots for heat networks

Support further feasibility studies for projects through Zero Carbon Enabler programme



\*Subregional energy planning has been endorsed by London Councils as key pillar of RP4L work programme

Current subregional geographies are functional. Project outputs can be cut/grouped according to future preferences

## 2. Engagement

# STAKEHOLDER ENGAGEMENT SUMMARY

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## Primary stakeholders → Consult

Boroughs, Distribution Network Operator(s), Transport for London, National Grid, DESNZ, Thames Water, Cadent, SGN.

Primary stakeholders were:

- invited to project inception meetings, monthly steering group meetings, bilateral meetings where appropriate.
- asked to provide relevant data and information to feed into the work.
- asked to review and provide feedback on the draft project outputs.

## Secondary stakeholders → Keep informed

Met Police, London Fire Brigade, NHS, Port of London, Ofgem, Environment Agency, TechUK, Community Energy London.

Secondary stakeholders were:

- provided with an email introduction to the project.
- given the opportunity to provide information on relevant data, projects, plans and strategies to feed into the work.
- given the opportunity to review and provide feedback on the draft project outputs.

*Stakeholder contacts can be made available on request where relevant permissions are received.*

## 3. Subregional LAEP Expected Outputs

# PHASE 1 OUTPUTS + USES

## Phase 1 - Subregional outputs:

- Subregional scenarios and analysis of selected scenarios
- Evidence base for network investment and planning (subregional level)

Outputs:

### 1. Subregional report with

- Geographically tied priority or cross-boundary projects
- Borough specific insights
- High level priority areas and actions

### 2. Energy and heat data layers; and access to GLA LAEP DataHub



- **DNO collaboration** – creates a consistent evidence base to inform and influence electricity network planning. [See LAEPs & Network Planning powerpoint](#)
- **Local Plan** – informs policy, site allocations (using future electricity demand & network headroom) [See LAEPs & Local Plan powerpoint](#)
- **Heat network zoning** – provides information on heat sources, existing networks, areas of viability. [See Use Case section](#)
- **Low Carbon Technology project identification & roll out** – locations for heat pumps, EV charge points, Solar PV. [See Use Case section](#)
- **Building retrofit** – informs priority areas (fuel poverty, energy demand, EPC). [See Use Case section](#)
- **Strategic Business case** – evidence for funding applications. [See Project Development section](#)

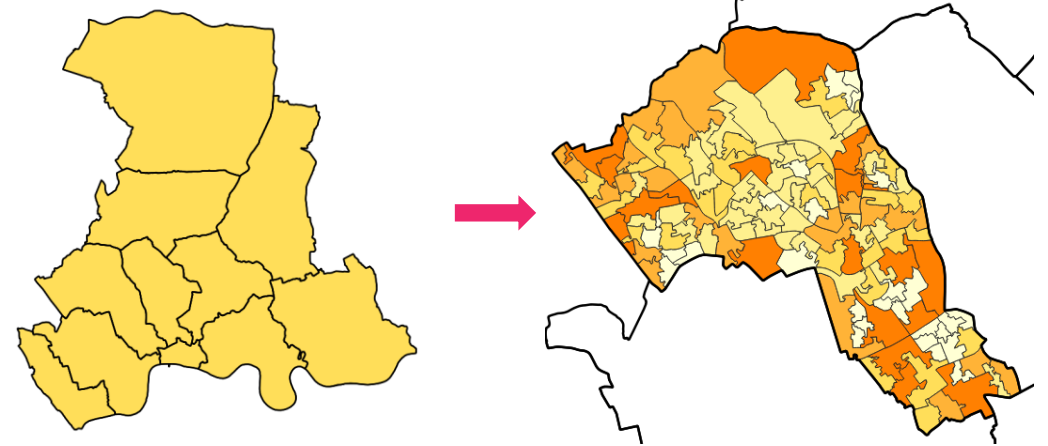
# UNDERSTANDING PHASE 1 OUTPUTS

## CIEN London / Camden

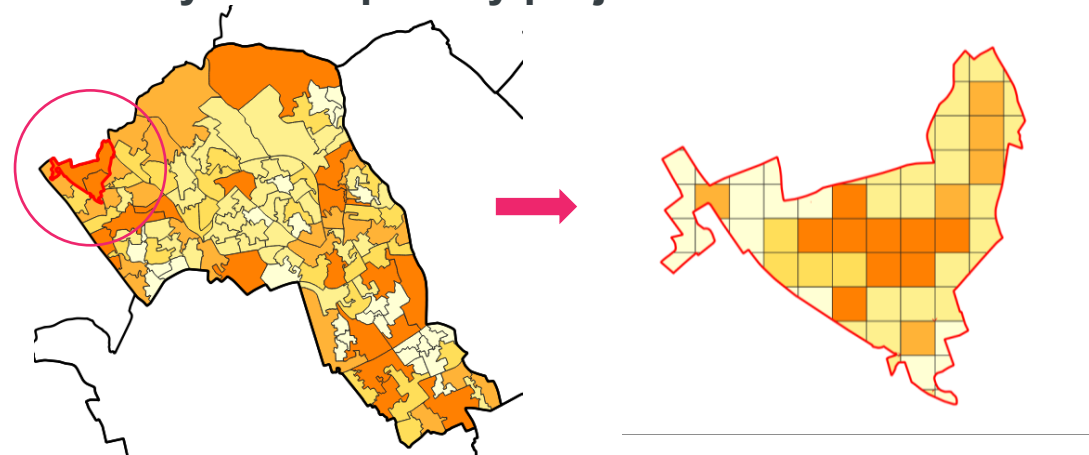
### Using the outputs

- Understand the current and future energy system, with insights into technical and typology strategy at a subregional, cross-borough, and borough level.
- Borough level strategic priorities and scenario insights can help inform focus themes. These can then be viewed at a more detailed LSOA level
- LSOA level links the technical and typology level to a more precise geographic area.
- Interrogate LSOA data with local insights and weighting factors (e.g. focus on tenure or demographic). This can be used to identify areas for project delivery.
- Once these focus areas are identified data will allow viewing information at a grid, street or property level. This can help inform funding or deployment mechanisms.

### Phase 1 LAEP Strategic view – borough characterisation and overview outputs

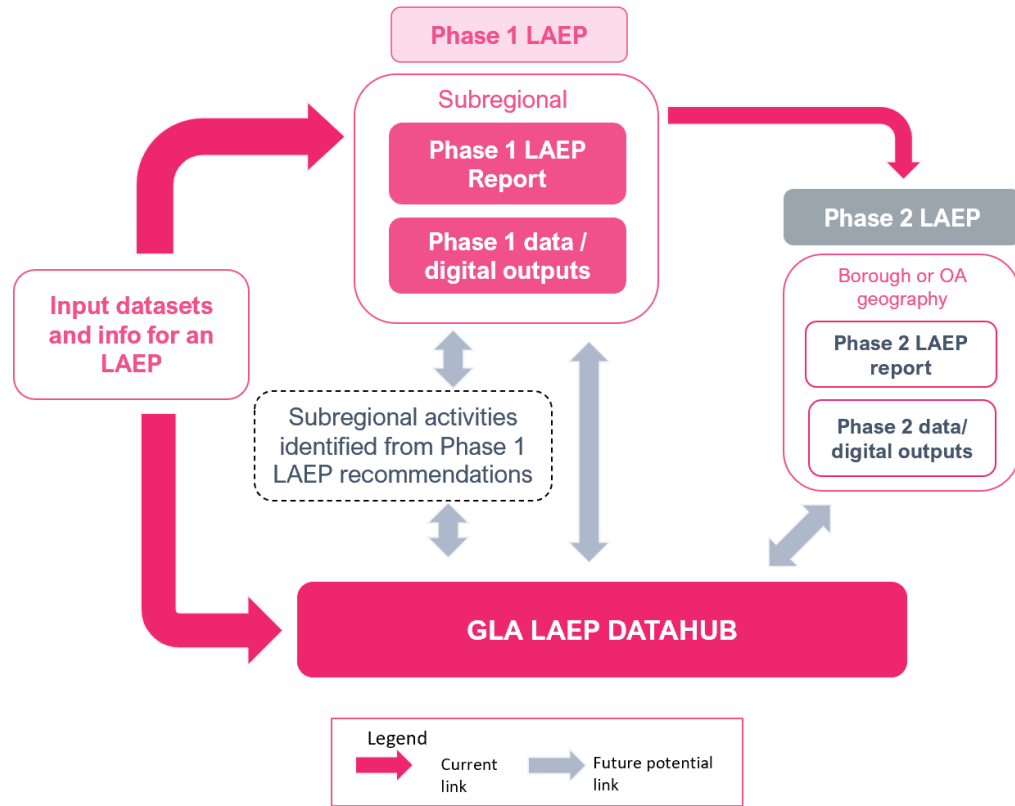


### Delivery view – priority projects and Phase 2 LAEP



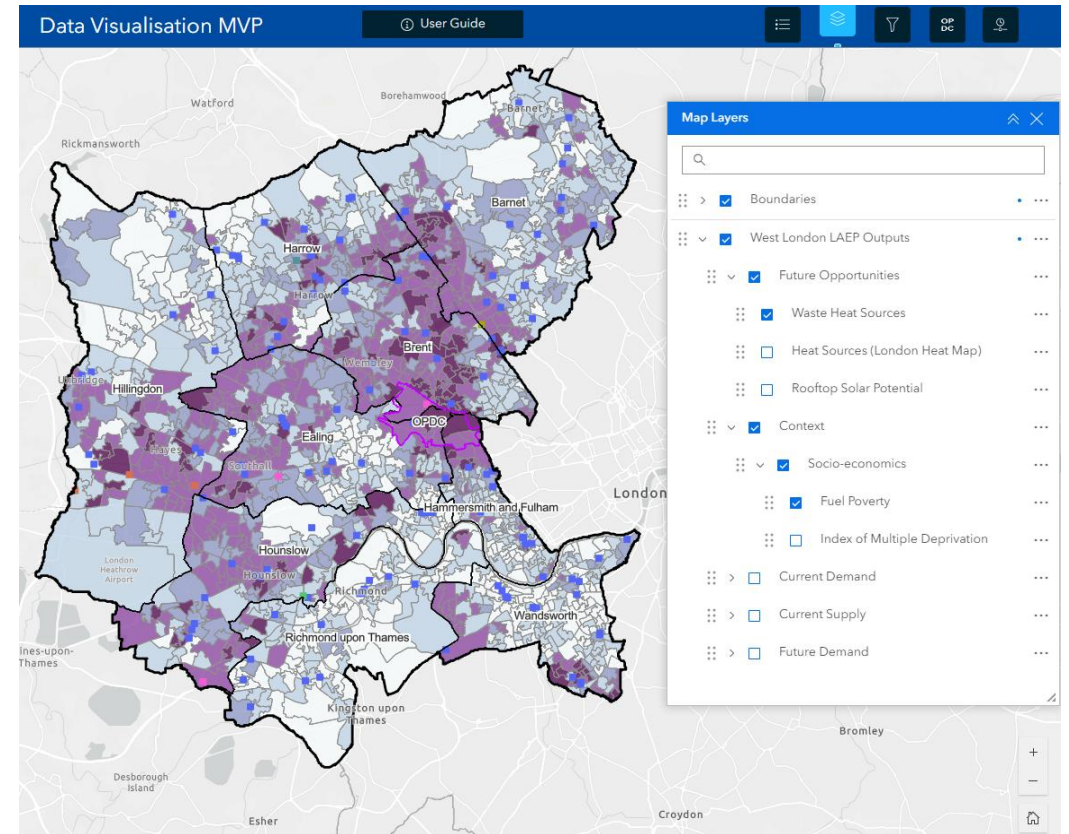
Outline of the two LSOAs highlighted by the red boundary. Data is 100m grid (currently dummy data) this could be switched to postcode, street or property depending on preference.

# DATAHUB



The DataHub will be a repository for data from the Subregional LAEPs (Phase 1) from late 2024 and Borough LAEPs (Phase 2) (date tbc).

Data is ingested into the LAEP datahub where it can be viewed, layered with other data and analysed for various use cases.



# LONDON LAEP DATAHUB

- LAEP Datahub builds on the West London Local Energy Asset Representation (LEAR) Digital Tool; a prototype developed for visualising data outputs from the West London Subregional LAEP (22/23). The objective of the LAEP Datahub is to host and visualisation all data from Phase 1 and Phase 2 LAEPs.
- Types of data to be held in hub: baseline energy data for buildings, energy networks, transport, retrofit scenarios, EVs, growth data, heat networks, and other relevant planning and infrastructure data layers to support decarbonisation and local planning activities.
- Datahub ingests data from range of existing webapps and products from GLA.



Planning London Datahub



London Building Stock Model

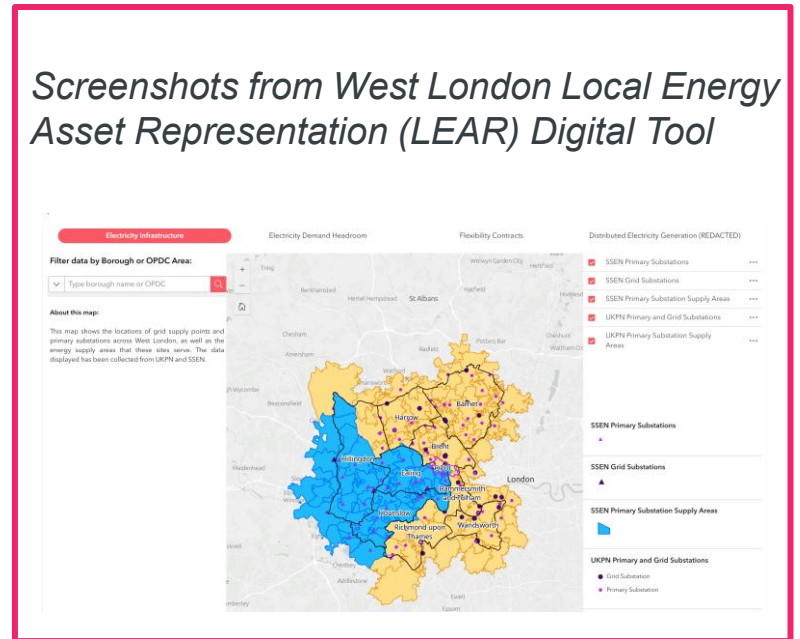


London Solar Opportunity Map



London Heat Map

- New emerging dataset is London Net Zero Project Pipeline



## 4. Example Use Cases of LAEP Data

# EV CHARGE POINT ROLLOUT

## OBJECTIVE

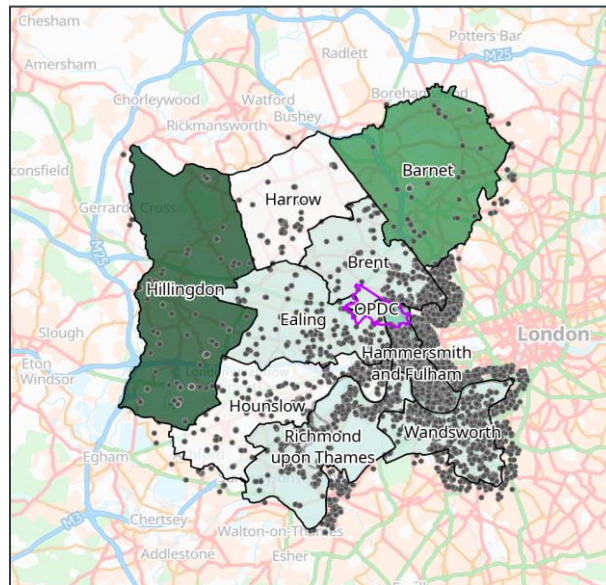
e.g. **Transport planner** :  
Develop EV chargepoint rollout strategy for borough(s)

## EXAMPLE USE CASE

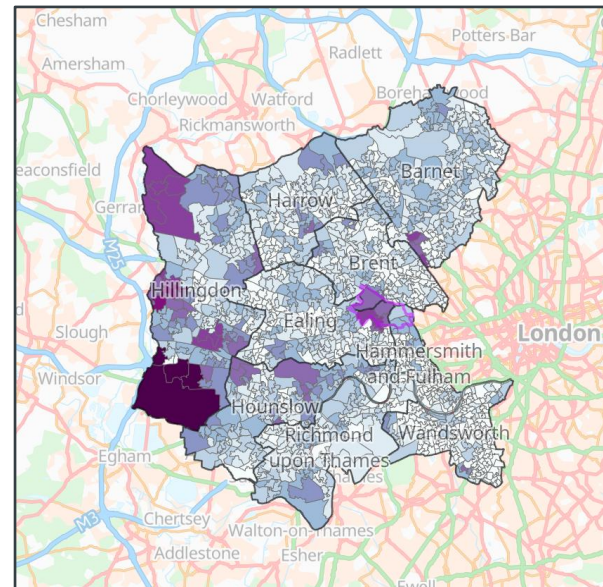
Identify gaps in current provision and optimal locations for future charge points. Consult electricity demand headroom data to identify potential grid constraints.

## RELEVANT DATA

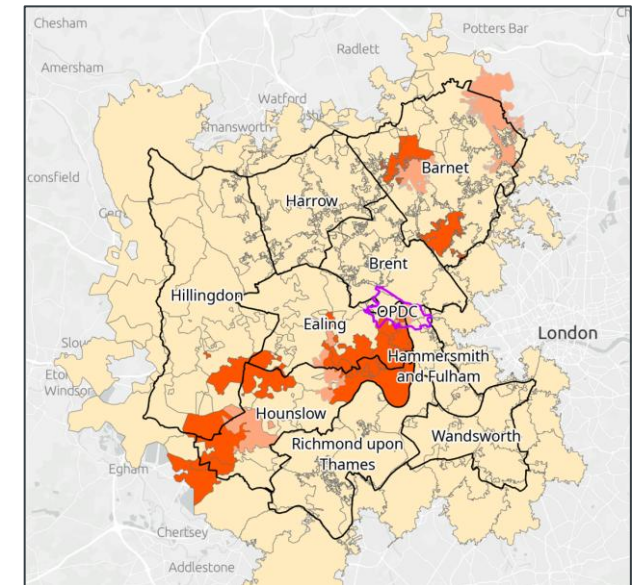
- Existing Public EV Chargepoints & Number of Registered EV's
- Forecast EV Chargepoint demand (2030) <sup>i</sup>
- UKPN and SSEN Primary Substation Demand Headroom



1. Existing public chargepoints & number of registered EV's



2. Forecast EV chargepoint demand in 2030 (by LSOA)

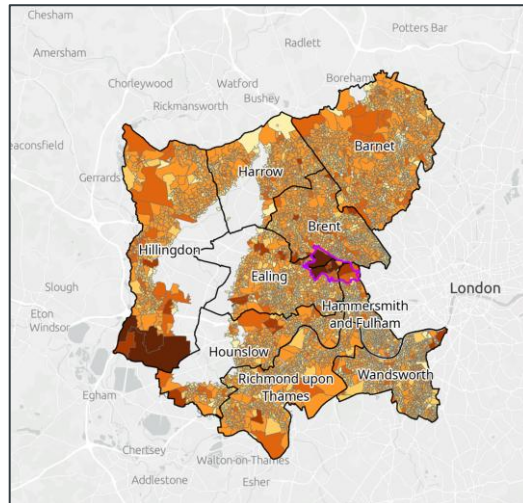


3. UKPN & SSEN Primary Substation Demand Headroom

# SOLAR POTENTIAL

## OBJECTIVE

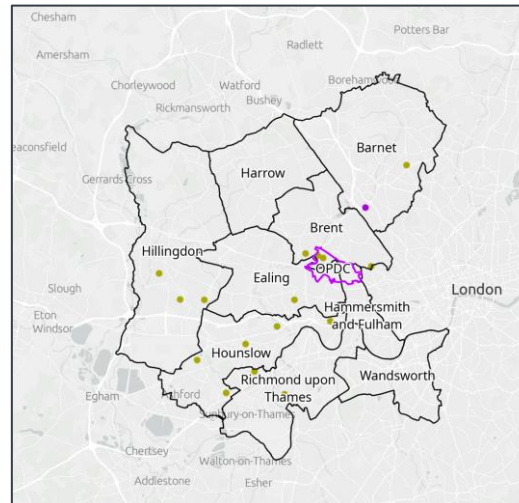
e.g. **Sustainability officer:**  
 Help Londoners and businesses understand whether and/or how much energy could be generated from solar panels installed on their property



1. Rooftop solar potential

## EXAMPLE USE CASE

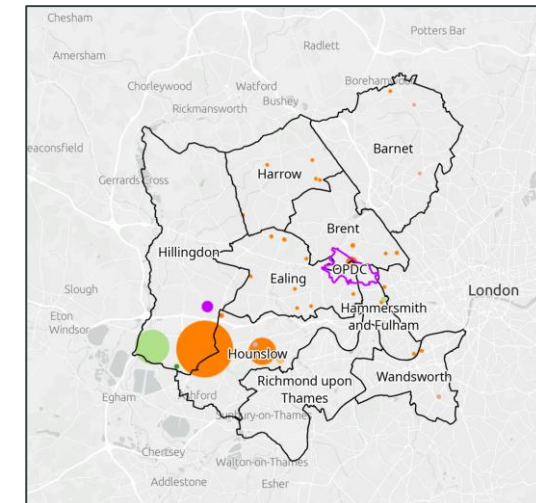
Identify opportunities for rooftop solar PV energy generation



2. Planned Renewable Electricity Assets

## RELEVANT DATA

1. Rooftop Solar potential **i**
2. Planned Renewable Electricity Assets
3. Renewable electricity generation
4. Other potential local or GLA data sets



3. Renewable electricity generation

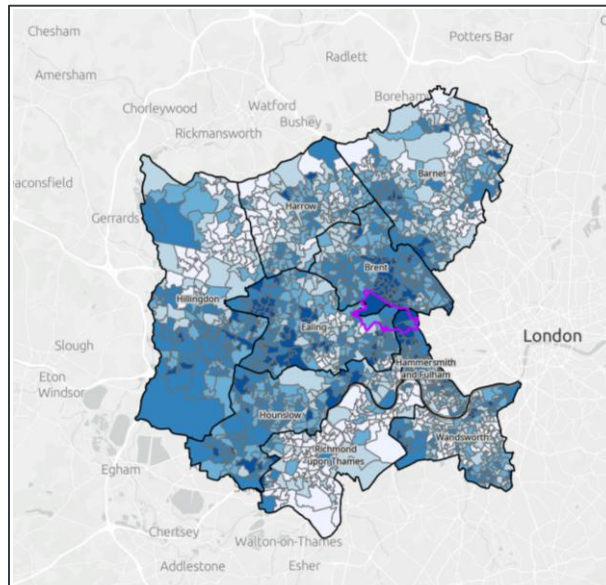
+ Other potential datasets provided and compiled by GLA:

- Conservation Areas (borough datasets)

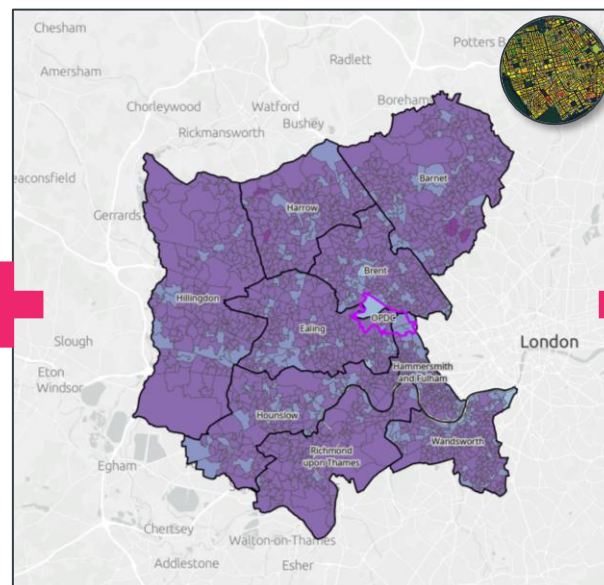
# BUILDING RETROFIT

## Example Use Case:

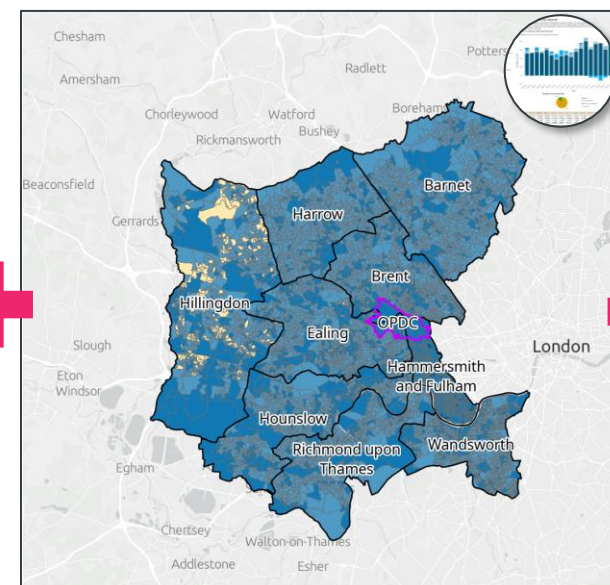
- Identify priority areas for building retrofits



1. Proportion of Houses in Fuel Poverty (%)



2. EPC Rating / London building stock model data – enhanced by proposed innovation projects ⓘ



3. Modelled Energy Demand (Retrofit Scenarios) ⓘ

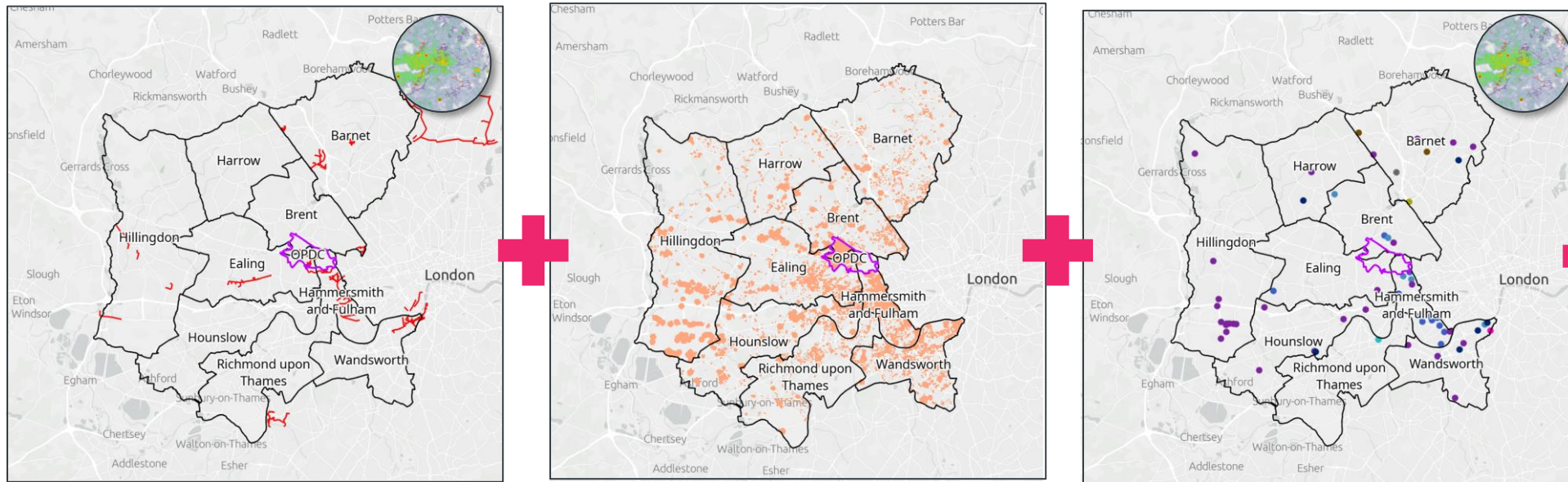
Potential Priority Areas for Retrofit

# HEAT NETWORKS

## Example Use Case:

- Identify proposed heat networks that upcoming developments could potentially connect to.
- Identify opportunities for new heat networks and utilisation of waste heat sources

## Data layers from LAEP Phase 1 & 2 outputs



1. Proposed Heat Networks <sup>i</sup>

2. Viable Heat Network Zones

3. Heat Sources (London Heat Map) <sup>i</sup>

Heat network planning

<sup>i</sup> GLA collated borough data

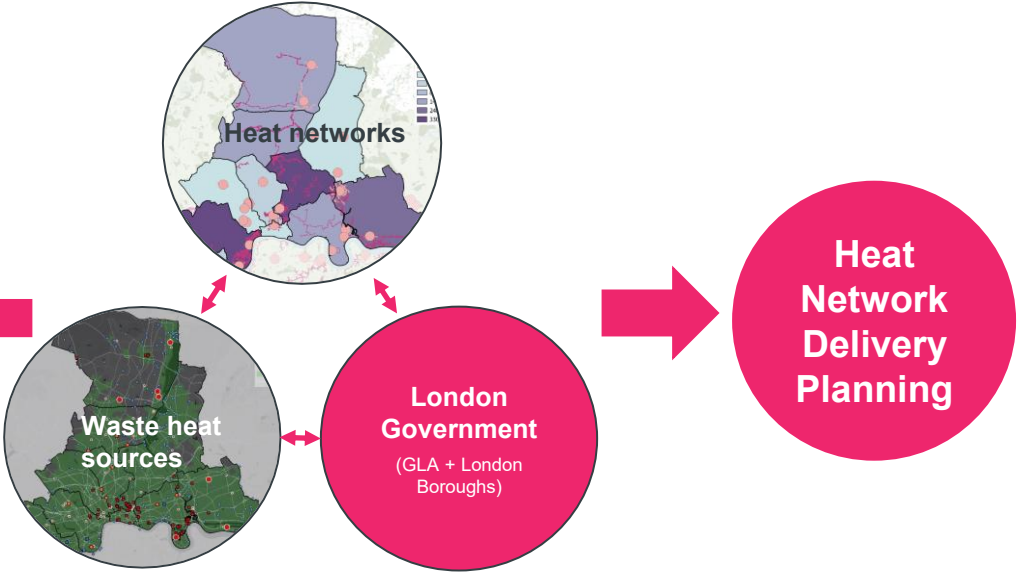
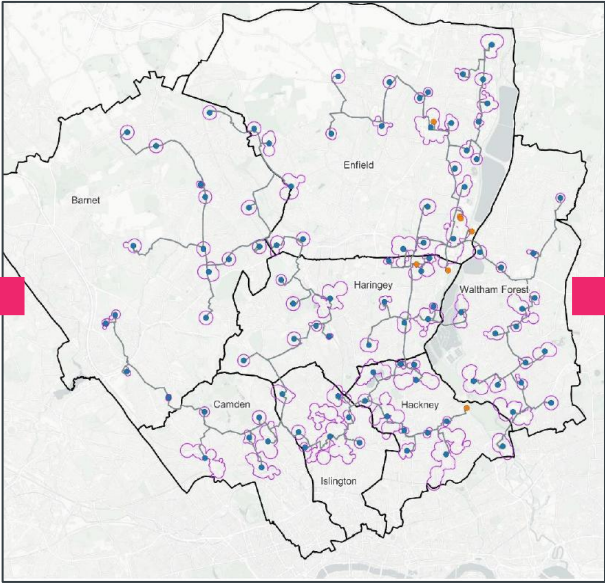
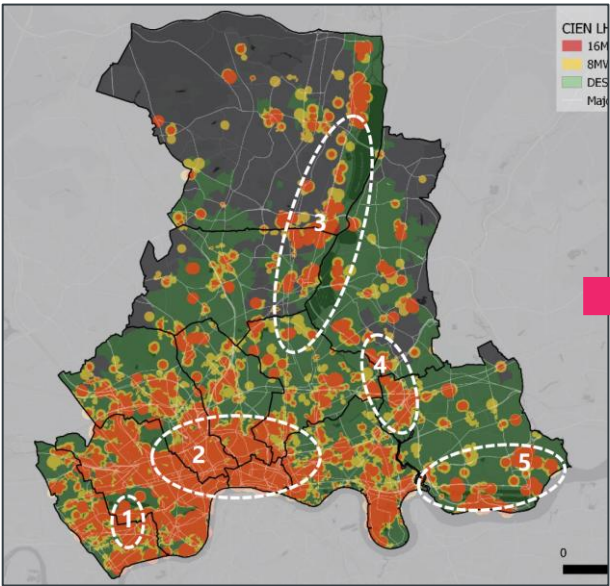
<sup>i</sup> GLA collated borough data

# SUBREGIONAL HEAT NETWORKS OPPORTUNITIES

Example Use Case:

- Identify cross-borough heat network opportunities and potential routing options
- Refine heat network zones and inform zone coordinator development

### Data layers from LAEP Phase 1 outputs



1. Cross-borough heat network opportunity areas

2. Heat network route optioneering

3. Subregional Collaborative Grouping

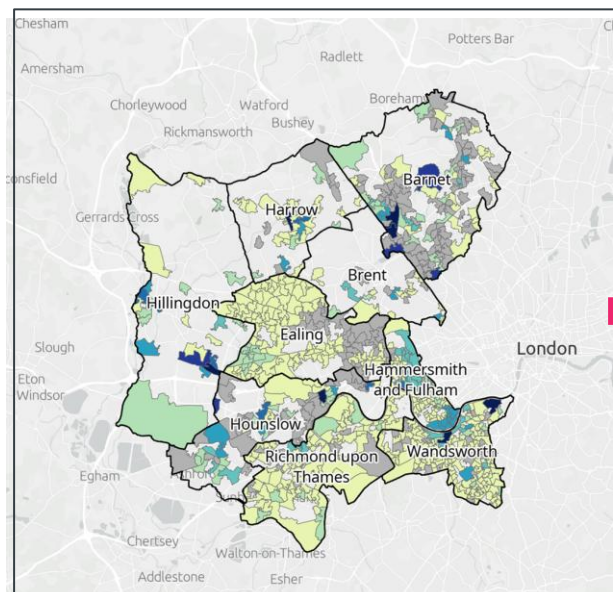
**i** GLA collated borough data

# LOCAL GRID ASSETS, CAPACITY & DEMAND

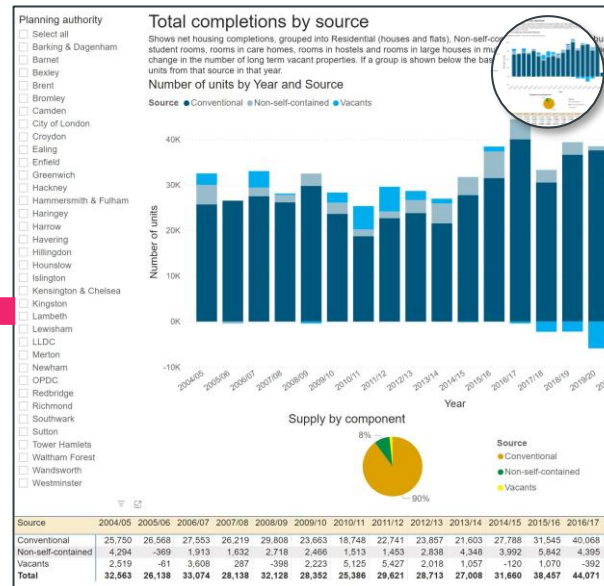
Example Use Case:

- **Baseline local grid asset capacity and demand.**
- **Identify potential risk areas based on demand for Infrastructure Coordinators or local planners identifying sites for future growth**
- **Provide data to DNO for DFES.**

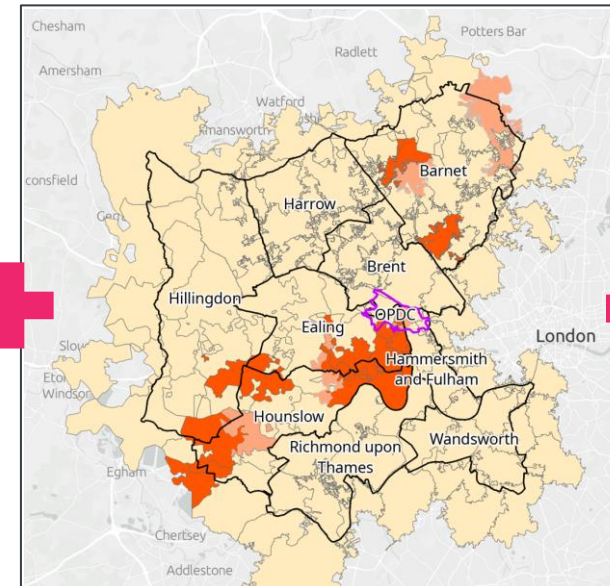
## Data layers from LAEP Phase 1 & 2 outputs



1. Forecast Growth in Energy Demand derived from retrofit scenarios and future borough growth and development data



2. PLD Planning Application Data and digital SHLAA



3. UKPN and SSEN Primary Substation Demand Headroom

Electricity network capacity and planning

# DATA CENTRES

## OBJECTIVE

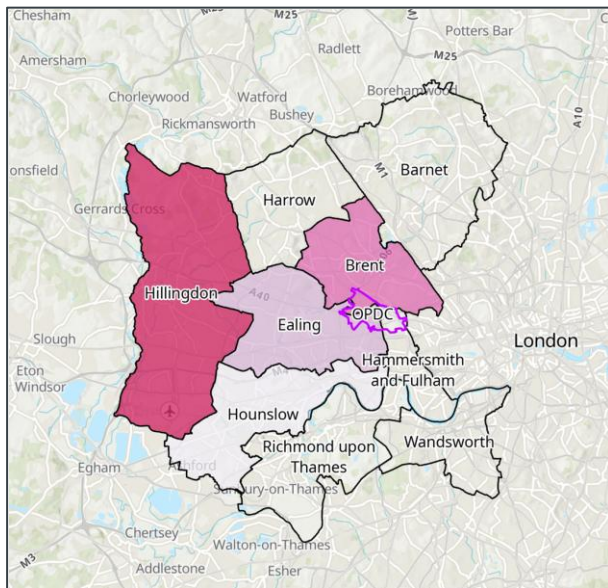
e.g. **Planning officer:** Support the planning process in ensuring there is adequate grid capacity when reviewing applications for proposed data centres

## EXAMPLE USE CASE

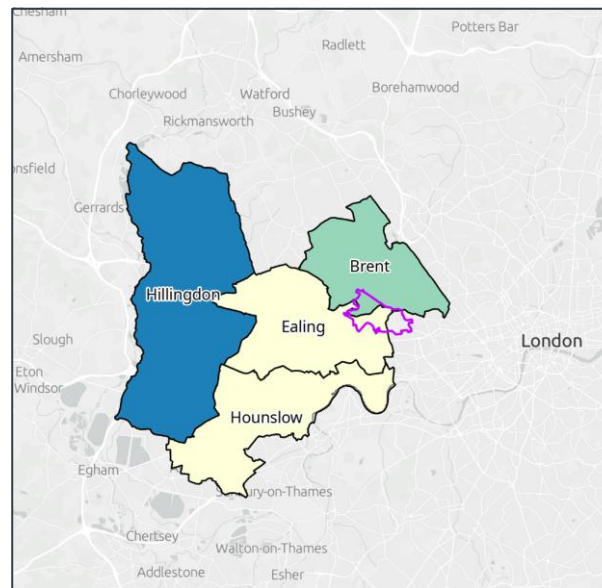
Identify suitable locations for data centres

## RELEVANT DATA

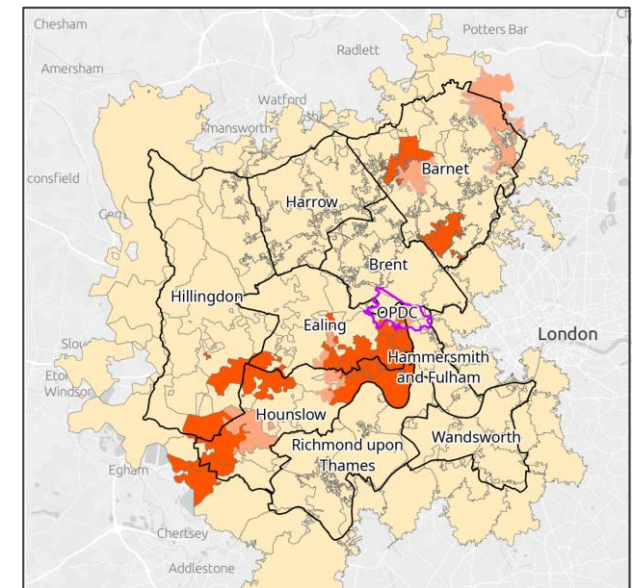
1. Data Centres – IT Load (MW) by Borough
2. Planned Data Centres (Total MW by Borough)
3. UKPN and SSE Primary Substation Demand Headroom



1. Data Centres – IT Load (MW) by Borough



2. Planned Data Centres (Total MW by Borough)



3. UKPN and SSE Primary Substation Demand Headroom

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## LOCAL PLANNING

See separate GLA slide deck on Local Area Energy Plans and Local Planning

[South subregion / CIEN subregion](#)

## ELECTRICITY NETWORK PLANNING

See separate UKPN slide deck on Local Area Energy Plans and Network Planning

[South subregion / CIEN subregion](#)

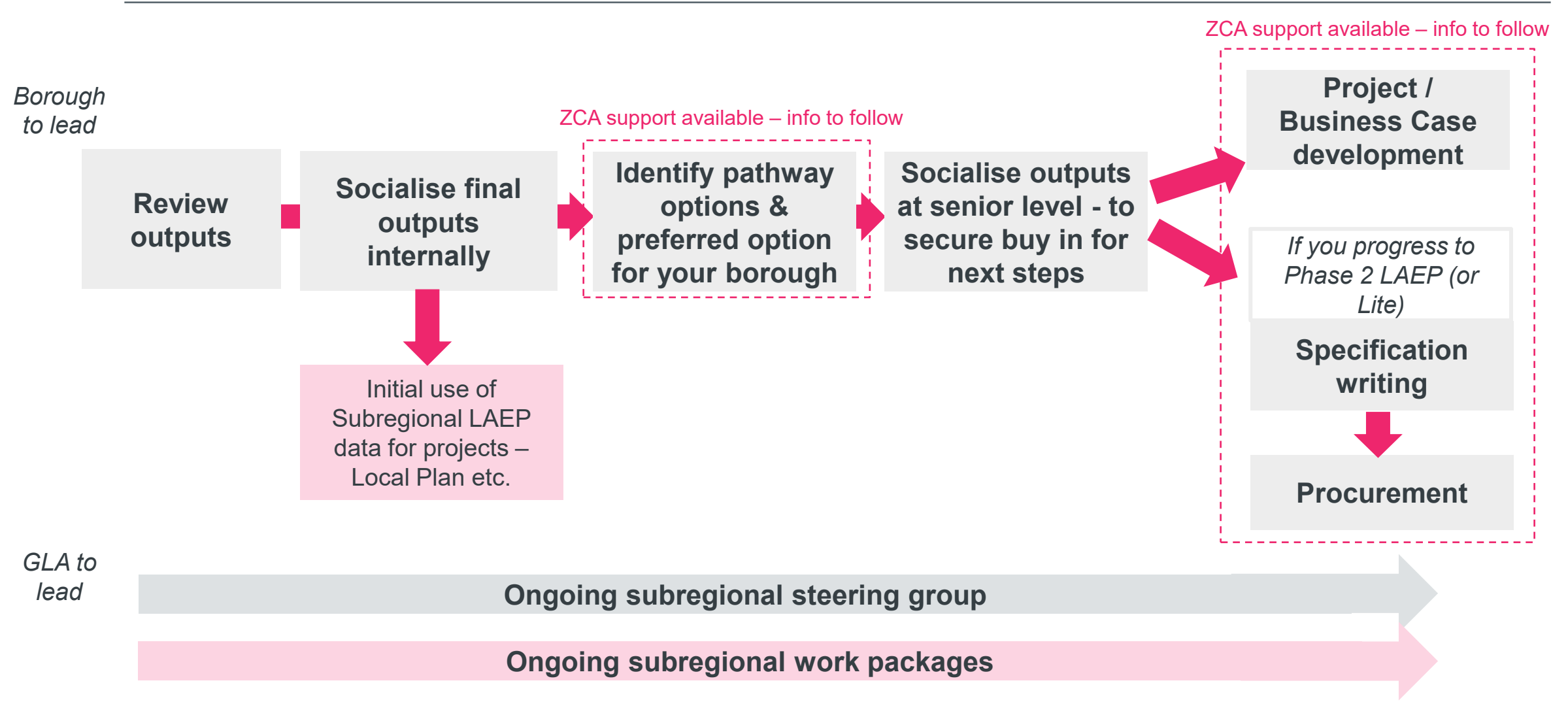
## 5. LAEP Next Steps

## POST- COMPLETION - STRATEGIC COMMUNICATION LINES

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- At a senior level within boroughs, GLA with London Councils will continue to communicate the value of the Subregional LAEP work, as well as ongoing subregional workstreams and LAEP Phase 2 work to ensure top-down support.
- LAEPs are acknowledged in London Council's London Infrastructure Framework and embedded in their Renewable Power for London Action Plan (RP4L) programme, which will continue advocating for and enabling LAEP work.
- Example groupings
  - London Executive Directors Environment Meeting (LEDNeT).
  - Chief Executive networks.
  - Other professional networks – Association of London Borough Planning Officers, Low Carbon Development Group.

# NEXT STEPS OVERVIEW



# NEXT STEPS OVERVIEW

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## Subregion

### GLA actions:

- Strategic communication & presentations to raise profile of LAEP work at senior & officer level within boroughs.
- The subregional LAEP steering groups will continue on a monthly basis -> to discuss key issues and assist progression of recommendations.
- GLA to work with London Councils to develop next phases of energy planning work in London, via Renewable Power for London, including support to boroughs to collaborate on the next stages

### Borough lead officer actions:

- Attend monthly Subregional Steering Group & feedback on: use of outputs, progression on recommendations, next steps (e.g. Phase 2 LAEP).

## Borough

### Borough lead officer actions:

- Review findings / outputs, socialise within your organisation.
- Adopt recommendations within your own team & progress recommendations with other teams.
- Using Phase 1 LAEP findings, make a case for next steps / LAEP Phase 2. It will involve informal and formal internal conversations to determine approach, set up governance, identify funding, timelines, collaboration etc.

## Borough Officers

- Initial presentation and circulation of outputs and material from the LAEP work back to relevant teams (Planning, Transport, Climate change, regeneration, etc.) including report recommendations, data overview and use cases.
- Identify opportunities for progression and integration of findings / data into their work. Ensure that the subregional LAEP report will feed into the Council's new Local Plan and Infrastructure Delivery Plan.
- Consider governance and progress tracking –
  - could set up internal steering/working group with key colleagues across various teams who may have responsibility for progressing actions e.g. Sustainability & Regeneration, Place & Design and Climate Teams
  - LAEPs typically sit alongside climate change activities within the council – it may be appropriate to group it alongside governance for a climate action plan and utilise existing Steering Groups, or regular meetings to track progress e.g. Climate Steering Group, Management meetings

## Senior Level / Director Briefings

- Briefings to relevant directors and Senior Leadership Teams (SLTs) to present findings and benefits from LAEP Phase 1 + to secure endorsement of findings and internal support in progressing recommendations.
- Present benefits of next steps / LAEP Phase 2, relate this back to the corporate plan objectives and targets set out within it; as well as net zero ambitions. Outline indicative cost, proposed scope and timelines (see later slides in this deck).
- Consider funding and financing – e.g. Zero Carbon Accelerator support and Council budget. Council budgets are typically set from around a year in advance – e.g. if Phase 2 LAEP has not been included in the 2024/5 budget, preparations can be made to include Phase 2 LAEP in the budget for the following year (2025/6).
- Outcomes of the LAEP work could be reported back to the relevant Council's Boards which have Director level representation as a key part of corporate governance.

# WHO TO ENGAGE IN YOUR BOROUGH IN LAEP WORK

Officer / Team	What their role generally is	How they will contribute	Post-completion role
<b>Climate / Sustainability / Energy</b>	Key contact. Generally <b>overall responsibility</b> and within borough coordination.	Feed in data, or link with teams who can provide. Help develop, identify and own actions. <b>Main point of contact with lead boroughs</b> , GLA and consultants. Key provider and user of information.	Advocating for use of the data outputs by internal teams and advancing recommendations.
<b>Planning</b>	A two-way process providing insight into local strategy and developments but also using the LAEP as an evidence base from a policy perspective.	Checking the baseline covers planned developments (stage 3), helping to translate outputs (stage 4 and in future 5-7 if pursued) into local plan.	Helping to translate findings into the local plan refresh.
<b>Retrofit</b>	Often overlap with estates (see below) but also can provide insight into wider schemes across the borough.	Data provision and strategy alignment. Often seen as a key two-way user and provider of data.	Helping to translate outputs (stage 4 and in future 5-7 if pursued) into retrofit strategy, identifying and progressing projects.
<b>Regeneration</b>	Very strong alignment with economic development (see below). Help identify any key changes to standard assumptions for the baseline – such as new developments. Help with alignment between the LAEP and wider borough strategy.	Insights and provision of data and strategy. Review of the plan and alignment of actions with local insights.	Helping to translate findings into plans, strategies and projects.

## WHO TO ENGAGE IN YOUR BOROUGH IN LAEP WORK – CONT'D

Officer / Team	What their role generally is	How they will contribute	Post-completion role
<b>Estates</b>	Data provision about own assets, both existing and planned. Insights into what works best at the borough level.	<b>Early</b> data provision and local insights.	Making use of data outputs within Estates projects, including retrofit and decarbonisation of heat.
<b>Transport</b>	Responsible for providing insights into transport strategy, EV approach, Public Transport optimisation, roads and highways.	Varies from borough to borough. Often just data and review role, in some instances wider meeting attendance and email/call with modelling team required.	Make use of data in Transport Strategy refresh / EV Strategy, as well as project identification and progression.
<b>Economic development</b>	Aligning with wider <b>borough strategy</b> , identifying synergies and opportunities. Inform priority areas for action – both in terms of typology and geography. Provision of insights into social factors – such as fuel poverty.	Although not needed at all meetings, generally engaged throughout the process, this will vary depending on the borough. <b>Early</b> and <b>for the review of outputs and actions</b> usually. Insights into priority projects.	Make use of data in project identification and progression.
<b>GIS</b>	<b>Insights</b> into what data is held, <b>data provision</b> and <b>integration</b> of data into borough platforms	<b>Rely on lead</b> within borough to decide how to integrate into the process. Email or ad hoc calls with data specialists can also be expected.	Review datasets available and ensure visibility of these within the borough.

# CROSS-BOROUGH COLLABORATION

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The Subregional LAEP work will identify work areas where continued multi-borough collaboration makes sense.

Examples of specific areas for continued collaboration include strategic energy system issues such as:

- Flexibility,
- Heat networks,
- Electricity network reinforcement,
- Retrofit typologies.

Governance arrangements to enable this could include Memorandum of Understanding, other forms of agreement.

## West London Case Study

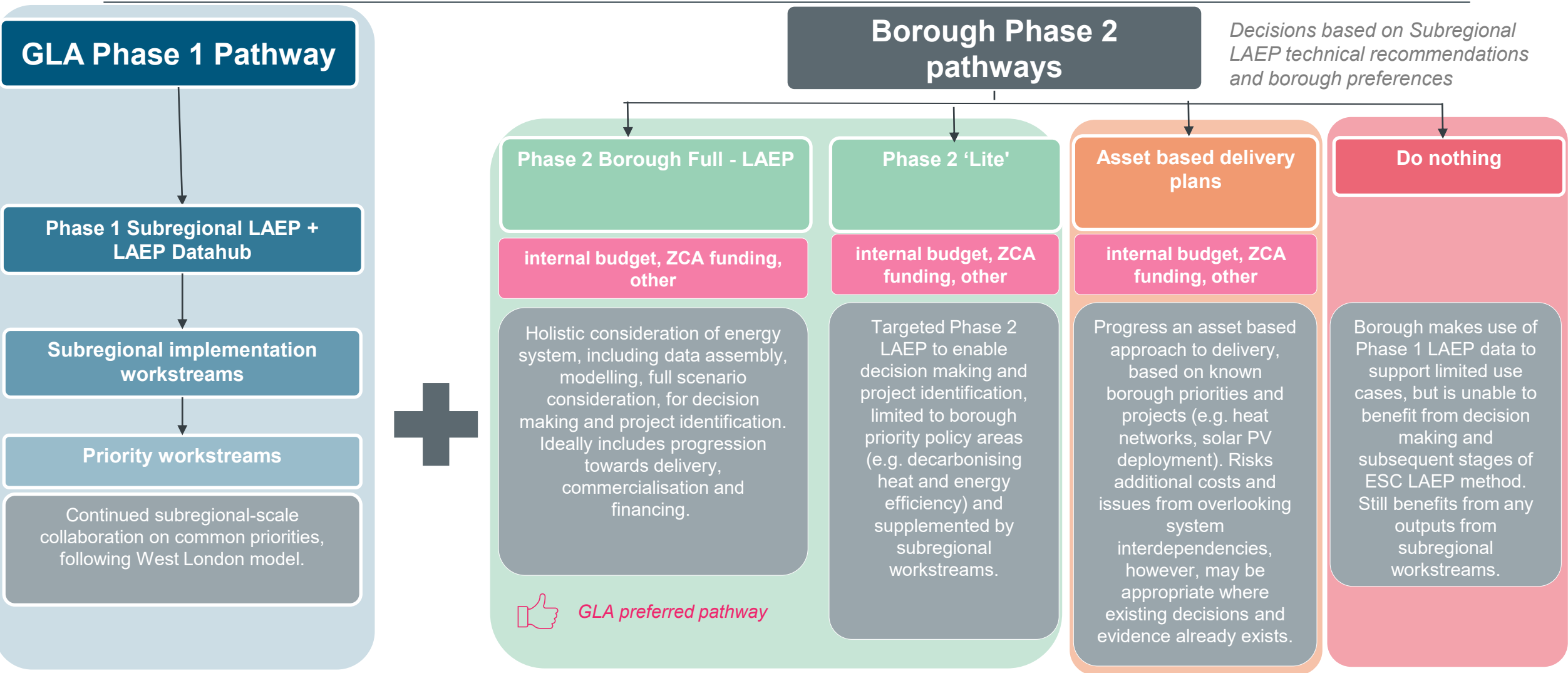
7 priority subregional workstreams were identified in the WL LAEP: flexibility, decarbonise heat, decarbonise major energy users, electricity network reinforcement, retrofit/energy efficiency, local generation, decarbonise transport.

GLA is progressing these with buy-in and contributions from boroughs, using an MoU & agreements. These workstreams lift effort out of Phase 2 LAEPs and complement other energy planning work.

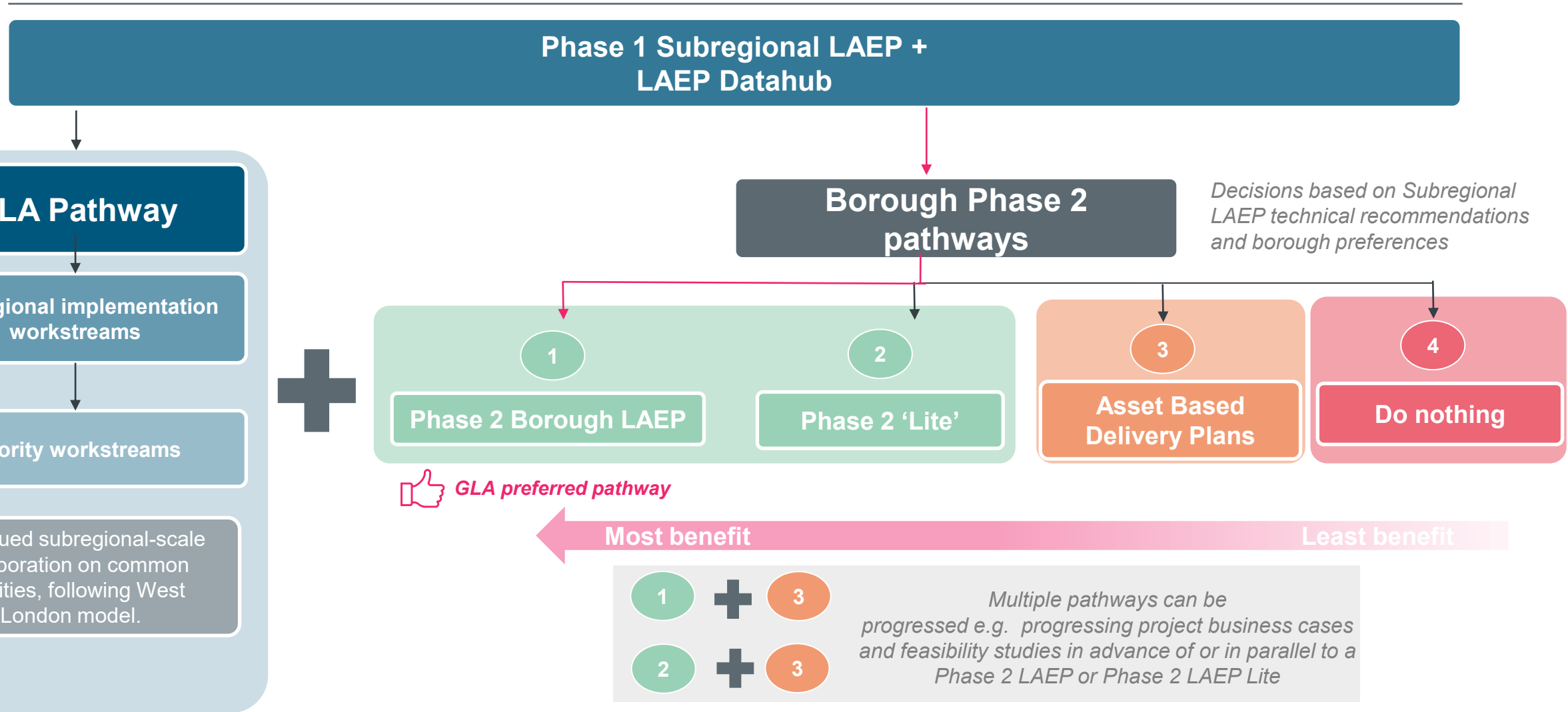
## 6. LAEP Pathways and Specification Development

Pathway options for boroughs following Phase 1 LAEPs and how to develop a  
Phase 2 Specification

# POST SUBREGIONAL LAEP - NEXT STEP PATHWAYS FOR BOROUGHES



# POST PHASE 1 LAEP - NEXT STEPS FOR GLA + BOROUGHGS



## PHASE 2 OUTPUTS BENEFITS

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Phase 2 outputs will:

- Build and further refine subregional analysis to:
  - Identify local borough specific decarbonisation pathway with indicative costing and number of projects
  - Prioritise projects (retrofit, heat networks, EVs, solar PV generation) according to metrics such as carbon savings & Internal Rate of Return (IRR)
- Evidence base for electricity network investment and planning and project-specific connections requests
- Recommendations on governance and delivery models and borough resourcing requirements
- Increased community engagement to ensure early support for decarbonisation project development

### Outputs:

- Detailed actions and project prioritisation based on selected pathways based on whole system analysis
- Borough-specific LAEP to be endorsed by Cabinet
- Beginnings of an investment prospectus

# CASE STUDY: PHASE 2 BENEFITS

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## *Comparison of solar PV outputs for west-London Phase 1 LAEP and OPDC Phase 2 LAEP*

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**West-London Phase 1 LAEP** recommendations for solar PV:

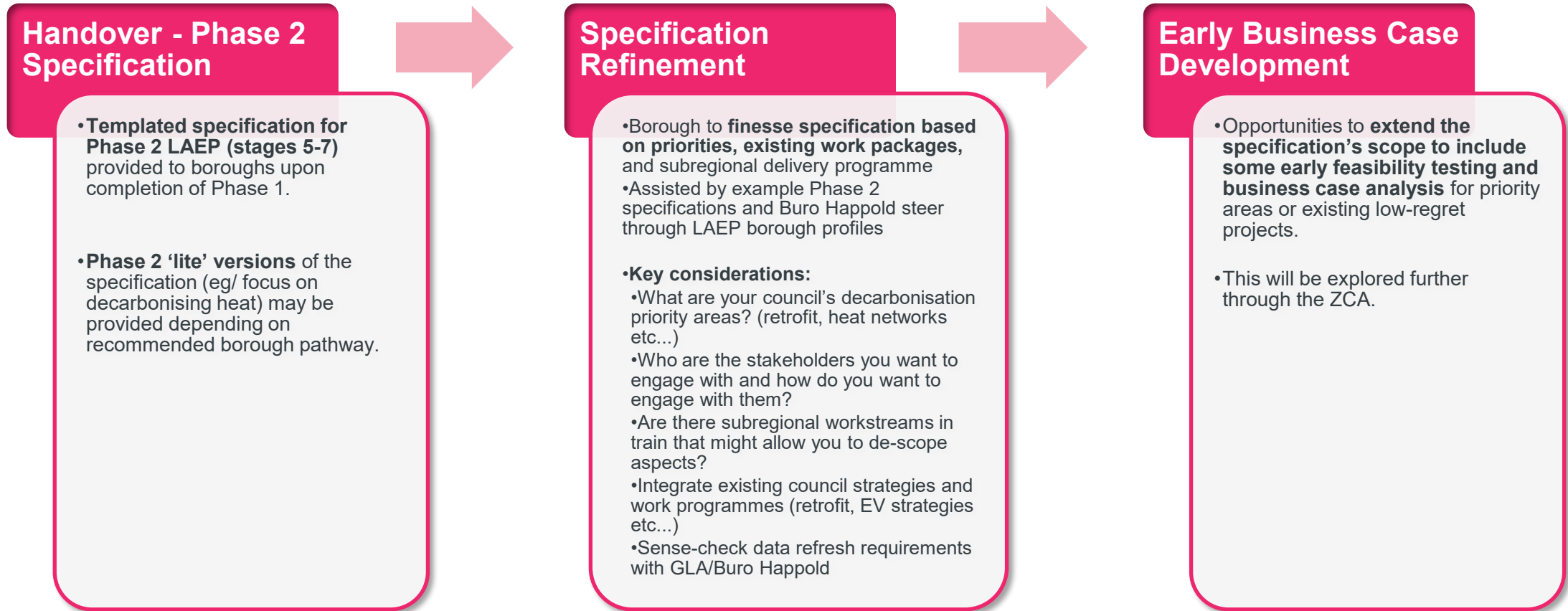
1. **Investigate funding and delivery** mechanisms for rooftop PV, building on the GLA Solar Uptake research to identify opportunities.
2. **Fill in gaps** in the Solar Opportunity Map and **explore further potential opportunities** such as floating PV.
3. **Identify spatial areas** for engaging with residents and businesses to encourage the uptake of rooftop PV.

**OPDC Phase 2 LAEP** recommendations for solar PV recommendations:

1. **Opportunity areas identified** for solar generations
2. **Technical delivery model optioneering** investigated
3. **Techno-economic modelling** against different delivery models carried out
4. **Delivery options evidenced to facilitate local authority decision making**

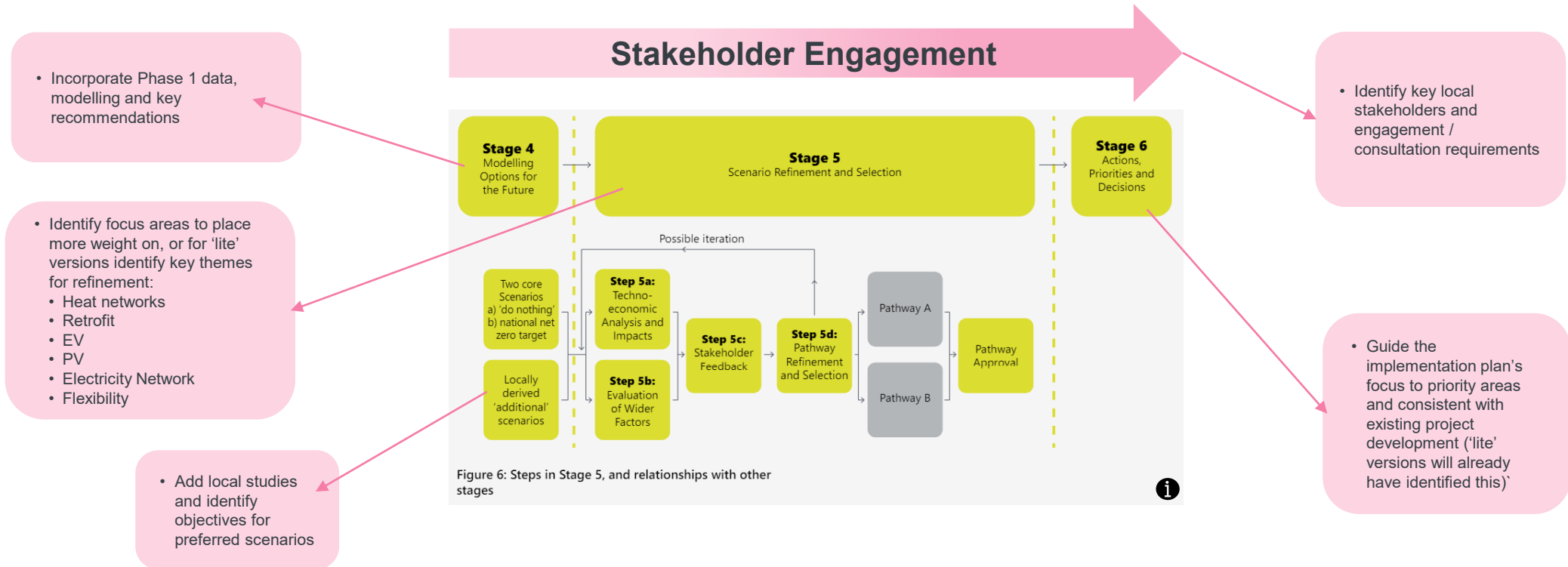
# PHASE 2 SPECIFICATION DEVELOPMENT

*The GLA will continue to work with boroughs post Phase 1 to assist with Phase 2 specification development.*



# PHASE 2 SPECIFICATION DEVELOPMENT CONT.

The GLA will provide boroughs with a phase 2 specification template to streamline procurement. The template structure will follow ESC's methodology for development of stages 4-7 with boroughs needing to amend based on local priorities, evidence, and preferred stakeholder engagement.



# CASE STUDY: HOUNSLOW APPROACH TO PHASE 2 LAEP

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- **Approach:** following completion of Subregional LAEP (Phase 1) Hounslow have commissioned a Phase 2 LAEP covering stages 5-7 of the ESC LAEP process (with a little of stage 4 revisited).
- **Scope**
  - Specification has been circulated
  - Include total costs of decarbonisation, network investment, programmes/interventions,
  - accompanied by information on how these costs are likely be distributed amongst key stakeholders (e.g., council, homeowners, private sector investment).
- **Internal buy in**
  - related the LAEP back to the corporate plan objectives and targets set out within it; as well as their net zero ambitions
  - Avoided perception LAEP is another action plan that just requires additional funds to deliver which councils don't have
  - Presentations to directors and head of service to secure endorsement
  - Cabinet report and sign off
- **Funding**
  - used internal funding for Phase 2 LAEP,
  - Funding pot: New Homes Bonus Reserve

# INTERNAL BOROUGH RESOURCE REQUIREMENTS – NEXT STEPS

*To deliver on the different pathways, boroughs will need to scope out their internal resourcing to deliver on the desired pathway. The table below sets out some indicative resourcing and input requirements to manage this.*

Pathway / Swim Lane	Workstream	Input / Scope of work	Resource	Duration
<b>Subregional Work</b>	Steering group meetings	Attend (bi-) monthly subregional group meetings to discuss: <ul style="list-style-type: none"> <li>• Subregional work packages led by the GLA</li> <li>• Delivery of individual workstreams</li> <li>• Knowledge sharing and development</li> </ul>	1-2 hours per month	Ongoing
	Thematic subregional delivery plans*  <i>*Dependent on borough interest in specific subregional work packages</i>	Subregional project development according to relevant decarbonisation theme (heat networks, PV, EV, retrofit etc...)  Borough-lead would be required to attend meetings and depending on borough role and interest, lead on delivering the work package with GLA support.	TBD	TBD
<b>Phase 2 LAEP / Phase 2 'Lite'</b>	Delivery of a full or 'lite' LAEP	Project manage LAEP from commencement to completion. Involves: <ul style="list-style-type: none"> <li>• Knowledge/expertise in energy planning</li> <li>• Data collection and management</li> <li>• Managing across council for multiple team input/review</li> <li>• External engagement with the community and delivery partners</li> </ul>	2-3 days per week FTE  (plus £75k-150k for external supplier)	6-9 months
<b>Business Case Development</b>	Delivery of business case for specific priority/low-regrets project	Project management specific project that aligns with boroughs decarbonisation priorities or identified as a low-regrets option. <ul style="list-style-type: none"> <li>• Procurement of consultants to deliver initial feasibility analysis</li> <li>• Development of overall business case</li> <li>• Seeking out funding opportunities</li> </ul>	1-2 days per week* FTE  <i>(*dependent on scale of project)</i>	6-12 months*  <i>(*dependent on scale of project)</i>

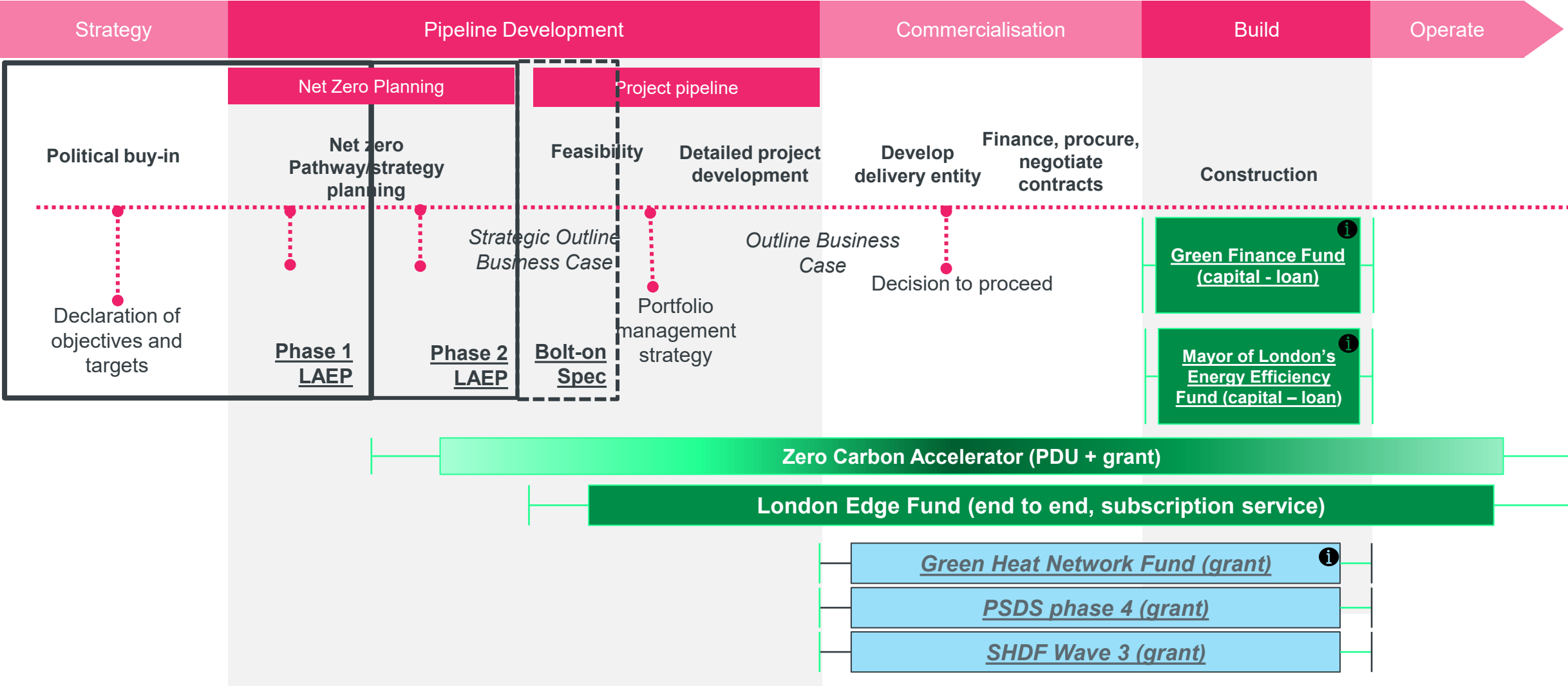
## 7. Project Financing and Development

# PROJECT PIPELINE DEVELOPMENT – INTRODUCTORY INFO

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- This section provides context on where LAEPs sit within the net zero project development pipeline. It seeks to advise on information required to progress projects identified in a LAEP through to construction and build, as well as give detail on funding options.
- Following completion of LAEPs, identified projects should be progressed through the project pipeline stages of:
  - Strategic Outline Business Case,
  - Feasibility, detailed project development,
  - then Outline Business Case development.
  - Once completed, projects can progress to the latter stages of the pipeline: identifying a delivery entity, making a decision to proceed, and then build, construction and operation.
- When scoped properly, LAEPs can seek to do more to advance individual projects by providing some information for use in the Strategic Outline Business Case and feasibility.
- Otherwise, these stages of the project pipeline should be fulfilled by separately scoped work – e.g. individual asset based delivery plans / business case development & feasibility studies.

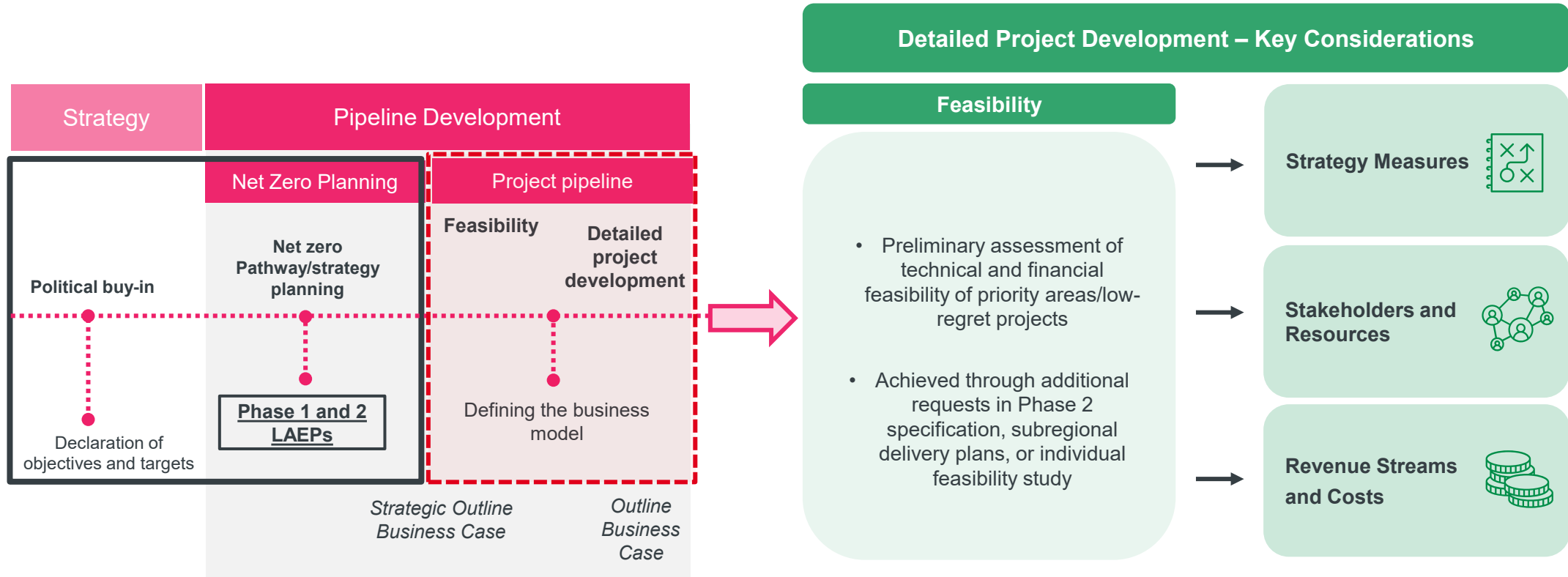
# NET ZERO PROJECT DEVELOPMENT PIPELINE + FUNDING



**i** Underlined items are hyperlinked  
MAYOR OF LONDON

# PROJECT PIPELINE DEVELOPMENT

*I have a good understanding of my net zero pathway plan and/or have already identified key 'low-regret' projects to carry forward into development. What do I do next?*



*Adapted from UKRI and Innovate UK, Financing Local Net Zero Projects A guide for Local Authorities*

**i** Underlined items are hyperlinked

# DETAILED PROJECT DEVELOPMENT



## Strategy Measures

- **Clearly understand how your organisation’s overall objectives fit with the proposed net zero portfolio or scheme**

**Key questions to answer:**

- How will further intervention and spend on key ‘inputs’ deliver ‘outputs’ that drive better outcomes and benefits to stakeholders and customers?
- Do the proposed solutions meet the Local Authority’s constituents’ needs?
- Do the proposed solutions align the with the Local Authority’s broader strategic objectives and drivers?
- What is the level of political support for the net zero project within the LA, regionally and nationally?
- Where does my project sit in the organisation's wider portfolio?



## Stakeholders and Resources

- **Determine the necessary resources, partners, and stakeholders to carry out the identified measures. Collaboration and buy-in across all stakeholders is vital for successful delivery.**

**Key questions to answer:**

- What resources will you need to deliver the scheme?
- Partners:
  - Who will be your partners to deliver the scheme?
  - Who will be funding / developing / owning / operating it?
- Customers:
  - Who will be your customers and how will you interact with them?
  - Does the project have enough customer offtake and community support?
  - Will the scheme support vulnerable customers?



## Costs and Revenue Streams

- **Determine the schedule of costs to deliver the project and understand the revenue streams available to enable success of the project**

**Key questions to answer:**

- Is the project commercially viable?
- What is the full schedule of costs associated with the delivery, operation and financing of the project?  
*(may require further techno-economic feasibility analysis)*
- Is there a funding gap? What sources of public grant funding are available?
- What mechanisms will you use to capture revenues (eg/ pay per use, PPAs, subscription etc...)?
- Do you have opportunities to diversify your revenue stream?

Please see [UKRI and Innovate UK, Financing Local Net Zero Projects: A guide for Local Authorities](#) for further information. Slide adapted from this resource.

# GREEN FINANCE FUND OVERVIEW

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- The Mayor's Green Finance Fund was launched at London Climate Action Week 2023 and will lend up to £500m to projects that help London meet its net zero ambitions. The aim is to accelerate decarbonisation by lowering the cost of borrowing for eligible organisations.
- The Fund offers loans with flexible terms at interest rates agreed on a project-by-project basis, at or below Public Works Loan Board (PWLB) prevailing rates.
- **Eligible projects** must deliver benefits in at least one of the following three categories, with many projects identified through LAEPs suitable:
  - Energy efficiency
  - Clean transportation
  - Renewable energy
- The **minimum loan size** is £1m, which could consist of aggregated expenditure for smaller projects. It is expected that loans will be below £75m, however this can be discussed on a project-by-project basis.
- **We've held three rounds for EOIs and future rounds are to be confirmed. See website [here](#).**

# POST COMPLETION - BUSINESS CASE DEVELOPMENT

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These links will take you to guidance on how to produce Green Book business cases; GHG emissions valuation guidance; and some recent example business cases:

## Technical Guidance

- Green Book Guidance on developing a developing a business case for projects: [link](#)
- Green Book guidance on energy use and GHG emissions appraisal: [link](#)
- Traded carbon values methodology and values: [link](#)

## Business Cases

- Newcastle City Council Levelling Up Fund bid: [link](#)
- Green Heat Network Fund Full Business case: [link](#)

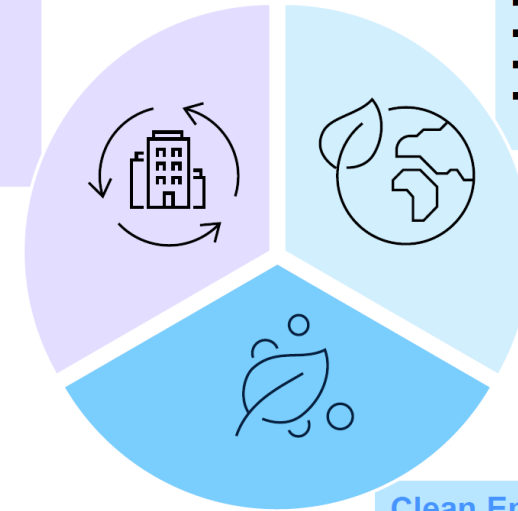
# LONDON EDGE FUND

- £100m co-investment fund between GLA and Sustainable Development Capital LLP, with an objective to scale up to £500m investment overtime to support pipeline of energy efficiency projects across London.
- The fund itself will support feasibility, development, installation and operations.
- £10m minimum CAPEX at one or across a portfolio of sites, including enabling infrastructure.
- Finance provided is end-to-end and each model is bespoke to the project.
- **The fund is now open** – enquiries can be sent to [LondonEdge@sdclgroup.com](mailto:LondonEdge@sdclgroup.com)

## Projects in scope

### Energy Efficiency

- Building management systems
- LED lighting
- Heat pumps
- HVAC



### On-site Generation

- District energy
- Waste heat recovery
- Ground and air sourced heat
- On-site solar

### Clean Energy Solutions

- EV charging
- Battery storage
- Smart grid solutions
- Anaerobic digestion
- Waste to energy
- Electrical and thermal storage

# London Councils Green Finance Guide

- **The Aim:**

- Demystify key financing options available to boroughs, specifically non-grant, repayable sources of finance.
- Identify local government case studies.
- Summarize connected initiatives and avenues of support.

- **Why have we created the guide?**

- Whilst understanding of public grant funding is high, boroughs are often less clear on alternative financing options, specifically sources of repayable finance. The guide aims to bring information on these different sources together into one central introductory resource.

- **When will it be launched?**

- September 2024.
- We will be holding a launch webinar to share the contents of the guide in more detail and highlight the case studies involved, the date is to be confirmed.

**Please get in touch with [alice.addison@londoncouncils.gov.uk](mailto:alice.addison@londoncouncils.gov.uk) to find out more and to receive the invite to the launch webinar.**



#BeTheSolution



**LONDON  
COUNCILS**

## Appendix

# RESOURCE GLOSSARY

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[CIEN Sharepoint Presentations / South Sharepoint Presentations](#)

London Borough Green Finance Guide – [CIEN](#) / [South](#)