Decarbonisation in practice

Energy transition and cost control in local government

Background

- This research investigated:
  - How local authorities are approaching energy transition and how these approaches are influenced by:
    - Policy environments
    - Political dynamics
    - Practical constraints
  - A case study on Solar

Background

- LGIU, supported by Commercial Services Group, conducted a series of focus groups in February 2026.
- 35 individuals involved:
  - 18 Cabinet members for environment, climate or equivalent
  - 17 Officers for climate/environment and energy/premises
- 32 local authorities involved (29 in England; 3 in Wales)
- All political controls, council types, and regions.

Background

- The full report is now available on the LGIU website.
- It will also be published on the Commercial Services Group website
- There will be a resource pack following this event including the report and a copy of these slides

Key Themes

1. Communication about energy transition

2. Opportunities for decarbonisation

3. Constraints on local delivery

4. Solar energy

1. Language is evolving

Language and communication

- Energy transition remains a strategic priority.
- However, this research shows a clear terminology shift in how it is communicated to the public.
- For example, rather than leading with “net zero” or “climate emergency” terminology:
  - some administrations shift their focus towards protecting nature, or being ‘greener’, to garner greater public support.
  - The dominant narrative is on tangible, immediate socioeconomic benefits such as lower energy bills, warmer homes, and improved health outcomes – centred around ‘**co-benefits**’
- There is a growing emphasis on co-benefits for internal communications and project delivery too - especially for the development of business cases. Although ‘net zero’ still carries some currency for internal communications.

1. Language is evolving

Language is key

> "A major project … really does have to be sold incredibly well, otherwise you're just going to alienate [the public]."

Cabinet member, District

And some councils do talk publicly about the climate emergency

> "We do talk about net zero and we do talk about climate emergency … [but] we also talk about the nature emergency and food emergency."

Cabinet member, District

1. Language is evolving

However, many have moved away from 'climate' and 'net zero'

> "We've learned to stop talking externally… about climate change and net zero… "
>
> Cabinet member, District

Instead, there is a greater focus on (economic) co-benefits

> "We talk about warm homes, lower energy bills … that is **less able to be attacked for political reasons**."
>
> Cabinet member, Met

1. Language is evolving

Political context is the key driver

"We're now not allowed to use the term net zero even if we wanted to."

Officer

"We have to be careful … we're slightly changing the way we use our language so that we can **still carry on what we're doing**"

Officer

2. Opportunities

Opportunities

- Throughout the research, participants from across the sessions talked about a wide range of opportunities that are available to them in the roles.
- Opportunities exist in terms of deliverable programmes, including a range of delivery mechanisms too.
- But opportunities exist also through changes to structures and organisational shifts.

Opportunities

1. Electrification of fleets (esp. waste)
2. Heat networks
3. Retrofitting estates
4. Retrofitting partner estates – esp. working with schools
5. Rooftop solar
6. Ground solar

2. Opportunities exist

Moving towards new models for delivery

- PPAs – Power Purchase Agreements
- Tenants tariffs with energy providers
- Strategic energy partnerships

> "We will be procuring for a strategic energy partnership… bringing in the private sector…"

Cabinet, London borough

2. Opportunities exist

Structures and systems also create opportunities for work working both systematically and at scale

"It took becoming a unitary… to galvanize everybody into addressing the climate emergency…"

Cabinet/Leader, Unitary

"There's no point doing this on a city level. It has to be regional."

Cabinet, City council

3. Constraints on delivery

Constraints

- Councils face both internal and external constraints for these programmes:
- Internally
  - Capacity, expertise, programme and team/organisational structures are significant internal constraints.
  - However the most most crucial is funding.
- Externally
  - The Planning system, infrastructure, community views, heritage, political shifts and structural disruptions are all complex constraints.
- These constraints mean that overall all energy targets and ambitions are not going to be met.

3. Constraints on delivery

In-house expertise, capacity and capability

> "There is so much impenetrable energy speak goes on around it. I really struggle as a professional."
>
> Officer, City Council

> "We don't have the capacity, resources or knowledge in house to be able to do it."
>
> Officer, County

3. Constraints on delivery

Funding …

> "The level of investment [needed] is huge. We just don't have access to that kind of cash."
>
> Officer, District

> "The majority of the funding that we've used so far had come from the [PSDS]… So there is no clear idea of what happens now"
>
> Officer, City council

… compounded by market uncertainty

> Electricity prices are going to be increasing, which just makes the business case for heat pumps even more difficult."
>
> Officer, Met

3. Constraints on delivery

Infrastructure (grid connections and transformers)

"We've got money sitting there… we just can't deliver because we can't get the grid connections."

Cabinet/Deputy Leader, County

"Transformers … there just aren't enough for them … I think that is one of the biggest barriers"

Officer (Climate), Met

"The connection fees… instantly killed off any kind of business case."
(Officer, Metropolitan Council)

3. Constraints on delivery

Local views and heritage needs

"You get pushback when it comes down to that community level… there's a range of planning issues like landscape, aesthetics…"

Cabinet, City council

"The biggest challenge… has been our heritage buildings and conservation areas…"

Cabinet, London borough

"We've got a grade 2 listed building … as our main office."

Officer (Environment), District

3. Constraints on delivery

Political uncertainty: instability is anticipated

"We don't know what's going to happen in May… it's a big worry."

Cabinet, Welsh unitary

"I just think across the board, there's more potential for hung councils… it certainly slows [progress]."

Officer, County

"If you see a big influx of people with no experience… you could have some real scramble taking place."

Cabinet, City council

LGR is widely seen as a highly significant disruptor …

"We've kind of ground to a halt… we're not allowed to commit to anything at this stage."

Officer, City council

… and devolution introduces concerns, despite strategic scale

There is a fear that this is just another layer of bureaucracy…

Cabinet, City council

We're very concerned that they don't throw [our progress] away and start doing their own thing Cabinet/Deputy Leader, County council

3. Constraints on delivery

Therefore, targets are widely seen as unachievable

> "There is absolutely no way we are going to be able to decarbonise all of our council residential properties by 2030 ..."
>
> Cabinet, London borough

> "Our 2030 target... is going to move to 2040..."
>
> Officer, Metropolitan council

4. Solar

A case study on Solar

- Solar developments are still seen as as one of the most crucial areas of development.
- Whilst not a silver bullet to energy transition, it is very much still a ‘big ticket’ opportunity.
- This is primarily down to:
  - the viability of the financial business case
  - but also the practical viability of the schemes themselves.
- The was widespread consensus that rooftop solar continues to be the most viable option, so long as it is practically possible (e.g. building condition, heritage factors).
- Ground solar still remains contested

4. Solar

Solar is seen as a core “big ticket” solution, but not a silver bullet

“Solar plays a massive part for us across the board”

Officer, Welsh unitary

“The most significant thing that we can do is solar.”

Cabinet, Welsh unitary

“One of the tent poles… it's never going to be a full solution.”

Officer, City council

4. Solar

Solar often “wins” on business cases …

> “The only one that's justifying the financial returns at the moment is PVs.”
>
> Officer, District

… on public support (rooftop)

> “Solar is perceived quite positively when it's rooftop…”
>
> Officer, District

> “Solar panels have been received very favourably…”
>
> Cabinet, District

4. Solar

… and political consensus (rooftop)

> “Our new administration are against Net Zero but are really, really keen on solar panels… they really see the logic there…”
>
> Officer, County

But solar farms remain locally contested

> “There's been a huge push back across parties… for people who live in the area…”
>
> Cabinet, District

> “People get upset about solar farms… they don't see any benefit
>
> Cabinet, Unitary

4. Solar

Again, infrastructure (grid and batteries) are critical constraints

"The big issue is the grid connection…"

Cabinet, Welsh unitary

"Not going to happen because of the battery situation."

Officer, County

"Totally oversubscribed in terms of batteries."

Officer, County

4. Solar

And rooftop solar is constrained by buildings, finance, and land

> “Our roofs on it are not fit for pigeons, let alone solar panels.”
>
> Officer, City council

> “Even with… promising payback periods… that still got pulled because there just isn’t the upfront financing.”
>
> Officer, London borough

> “We don’t really have any option other than rooftop solar because of being an inner London council.”
>
> Officer, London borough

Summary

- There is still significant ambition across the board for energy transition within Local Government.
- However the framing and operating environment of this has shifted and continues to evolve:
  - External communication focuses on socioeconomic 'co-benefits' over 'net zero' and climate emergency terminology.
  - Energy transition delivery is more than ever influenced by the financial business case more than political or environmental ambition.
  - The focus is also on the practicability of schemes.

- Opportunities exist in fleets, heat networks, retrofitting estates, and structural shifts.
- Solar is a central strategy, with very viable schemes being successful and popular. There are still infrastructure and viability constraints.