

Communicating the Investment Value of Local Authority Partnerships

How to Use This Document

This guide helps UK local and combined authorities explain their value to institutional investors. It supports officers who may not have a commercial background by outlining:

- the core messages investors expect to hear
- how to frame local authority strengths in investor language
- the types of evidence and examples that strengthen credibility

Each section provides material that can be used directly in conversations, presentations, and investment memoranda.

Introduction

UK local and combined authorities are responsible for delivering net zero, regeneration, housing, transport and wider place-based infrastructure. These opportunities often sit in fragmented or early-stage markets that are difficult for private capital to access without public coordination.

This document explains how authorities can present their value proposition to institutional investors: emphasising pipeline creation, early-stage risk reduction, policy alignment, robust ESG delivery, and partnership models that enable long-term investment.

The Value of Partnering with UK Local Authorities for Institutional Investors

(What authorities uniquely offer as market-makers and delivery bodies)

1. Access to Pipeline-Ready Local Infrastructure

Local authorities can provide investors with structured access to a coordinated pipeline of place-based infrastructure, including energy systems, regeneration, housing, transport and digital assets. These opportunities often remain inaccessible to private capital when they are fragmented, unaligned or sub-scale. A clear summary of pipeline size, maturity and sequencing helps demonstrate coordination across departments, the ability to convene partners and the long-term flow of opportunities investors look for.

2. Reduced Early-Stage Development Risk

Authorities lower project risk through feasibility work, planning certainty, early community engagement, land assembly and alignment of public-sector partners. These actions strengthen revenue models and create clearer routes to blended finance.

Evidence of deliverability such as completed studies, secured approvals and confirmed political support signals that projects are prepared for investment and that early-stage risks have been actively managed.

3. Place-Based ESG and Impact Delivery

Authorities can generate measurable environmental and social outcomes, including emissions reduction, job creation, improved health, affordability and regeneration. These outcomes respond directly to the needs of investors with ESG, stewardship or impact mandates.

Providing clear KPIs, statutory targets, baseline assessments and monitoring arrangements shows investors that impacts are defined, credible and verifiable.

4. Long-Term, Inflation-Linked Revenue Potential

Local infrastructure such as heat networks, retrofit, energy systems, mobility and regeneration can generate long-duration and inflation-linked revenue profiles that suit pension and insurance portfolios. Authorities can shape the structures that underpin these revenue streams.

Detail on the revenue mechanism, contractual length, indexation, demand drivers and the authority's role in providing stability helps demonstrate the potential for predictable long-term returns.

5. Early-Mover Opportunities and Collaborative Delivery Models

Authorities increasingly develop pooled investment vehicles, joint ventures and place-based investment platforms that allow early partners to shape governance and secure privileged access to future opportunities. Setting out potential partnership structures, governance options and the long-term nature of collaboration help show how investors can influence portfolio design and participate early in new models.

The Strategic Value of Local Authorities as Delivery Partners

(Why authorities matter in the investment landscape)

1. Policy Alignment and Forward Visibility

Authorities implement national and regional strategies on net zero, housing, transport, resilience and economic development. Investors gain visibility of future regulatory shifts and long-term public commitments by working with them.

Linking the authority's pipeline directly to national policy, statutory duties and multi-year plans helps investors understand how future public investment and regulation will support these opportunities.

2. Control of Land, Planning and Local Assets

Authorities hold key levers such as planning powers, land release and public estates that shape and prioritise investment opportunities. These levers reduce complexity and unlock projects that cannot progress through private action alone.

Highlighting the specific assets, approvals or powers the authority brings into the partnership shows how these levers directly support project delivery and risk reduction.

3. Innovation in Delivery and Financial Structures

Authorities are increasingly open to co-developing new investment models such as joint ventures, outcome-based contracts, concession approaches and blended finance structures.

Outlining precedents, delivery options and potential risk-sharing arrangements helps investors understand how flexible and collaborative the authority can be when designing joint structures.

4. Anchor Tenancy and Revenue Signalling

Authorities can stabilise projects by acting as long-term off takers, service users or lease guarantors. These roles provide predictable demand signals that strengthen revenue cases and attract private capital.

Explaining where the authority can serve as an anchor, and the nature of the commitment it can make, demonstrates how public participation enhances stability.

5. Social Licence and Local Legitimacy

Partnership with a public body strengthens community support, political acceptance and stakeholder confidence. These factors are critical for infrastructure positioned in dense, sensitive or contested locations. Detail on community engagement processes, consultation plans and local political context helps investors understand how the authority reduces risk through local legitimacy.

The Investment Advantages for Institutional Investors

(How authority strengths translate into investor benefits)

1. Access to Under-Served, High-Growth Markets

Local infrastructure includes distributed, mid-sized assets such as EV charging, retrofit, community energy, microgrids and estate decarbonisation that require public coordination to reach investable scale.

A clear explanation of how the authority aggregates these opportunities into a coherent, investable pipeline helps demonstrate why these markets offer long-term potential.

2. Portfolio Diversification and Sterling-Matched Assets

Domestic, long-duration projects help UK investors match sterling liabilities and diversify global exposure.

Setting out asset duration, resilience and currency alignment shows how local infrastructure supports liability-matching strategies.

3. Strong ESG, Disclosure and Regulatory Alignment

Authorities can provide verified environmental and social data suitable for TCFD, SDR, stewardship reporting and net-zero portfolio alignment.

A summary of available datasets, reporting methods and statutory obligations helps demonstrate the reliability of ESG evidence.

4. Ability to Shape Investment Platforms and Financing Structures

Investors can work with authorities to design pooled investment vehicles, blended structures or co-governed platforms that align with future public capital flows.

Describing upcoming platform opportunities, governance considerations and where investor input is welcomed shows how early partners can influence design and secure strategic positioning.

5. Strategic Optionality and Future Positioning

Place-based finance is becoming more significant as national funding and policy frameworks evolve. Early involvement with authorities offers long-term visibility over future opportunities.

Positioning the authority as a prospective long-term partner with insight across future asset classes highlights why early engagement provides strategic advantage.

6. Enhanced Social Licence and Market Positioning

Collaboration with local authorities supports just transition objectives, community alignment and reputational value for investors.

Emphasising the political and social benefits of co-investment helps investors understand how these partnerships strengthen their wider market positioning.

****These points are illustrative and are meant to prompt broader exploration of how an aggregated, bundled project pipeline can create value for institutional investors. ****

Disclaimer:

While Greater South East Net Zero Hub has made every attempt to ensure that the information used is accurate, we are not responsible for any errors or omissions, or for the results obtained from the use of this information. All information is provided as is, with no guarantee of completeness, accuracy, or timeliness. Assumptions used in the calculations are for indicative purposes and based on a range of sources including information supplied by partners, industry research and published government data. We are not liable for any errors in calculations or omissions resulting from data provided by the customer or third parties. This report does not constitute investment advice.

This report is provided for general informational purposes only and does not constitute financial, investment, or legal advice. The information, analysis, and assumptions presented are indicative only and should not be relied upon for making investment or business decisions. Readers should obtain independent professional advice before acting on any information contained in this report. The Hub accepts no liability for any loss or damage arising from reliance on the content of this report.

Version	Date	Purpose / Change	Produced by	Approved by	Date
0.1	15-MAY-25	First Draft	Tolu Osekita	Justin Olosunde and Alexandra Snelling-Day	20-MAY-25

0.2	13-NOV-25	Second Draft	Nicholas Sia Han Ming	Justin Olosunde and Alexandra Snelling-Day	13-NOV-25
1.0	24-NOV-25	Final Version	Gina Gobetti	Justin Olosunde and Alexandra Snelling-Day	24-NOV-25