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Investor Landscape Mapping

Introduction

This note provides a strategic overview of the UK institutional investor landscape, with a focus on informing how local and combined authorities can better understand, engage, and partner with different classes of investors. It has been developed as a practical, internal reference tool under the Local Net Zero Accelerator (LNZA) programme, grounded in the wider ambition to crowd in large-scale private and patient capital into projects that transform how people live and work in local areas.

The central aim of this mapping exercise is to help local authorities navigate the diversity of investor types and funding models, and to support investment propositions that can secure long-term commitments. This includes understanding the typical mandates, return expectations, and engagement preferences of different funders, as well as identifying where public intervention: through bundling, de-risking or partnership can help strengthen alignment.

While the emphasis is on unlocking capital for local net zero and infrastructure portfolios, the landscape mapping is equally relevant for other integrated regeneration or economic transition strategies.

In line with LNZA principles, the approach also considers how institutional capital can be directed in ways that deliver public value, wider co-benefits and greater local accountability.

The outputs from this work are intended to inform investor-facing materials, shape early-stage engagement strategy and support ongoing development of financial structures that are capable of scaling and replicating across places.

How to use this guide

This investor landscape mapping is intended as a live decision-support tool to inform local authorities, and their delivery partners engage capital markets to fund net zero and place-based infrastructure portfolios. The diversity of investor types, preferences, and roles means there is no single route to investment. Instead, what is required is a deliberate and strategic approach to investor alignment, capital choreography, and structuring over time.

The recommendations below are designed to support that effort.

1. Match Investor Type to Project Phase and Risk Profile

Different classes of investor are suited to different points in the project lifecycle. Attempting to engage in long-term, regulated capital (e.g. pension or insurance funds) at the early-stage development is likely to result in frustration or delay. Similarly, expecting concessionary capital to underwrite operational-scale commercial infrastructure misuses scarce public-interest funding.

Use this mapping to structure blended delivery models that:

- Engage DFIs, foundations, and developers early to absorb uncertainty;
- Introduce infrastructure funds or corporates at development or bundling stage;
- Refinance or scale with pension funds, insurance capital, or SWFs once bankability is secured.

2. Invest in Intermediation and Structured Engagement

Most large-scale investors are not equipped to originate or structure complex, place-based net zero programmes. Local authorities should focus on building trusted intermediary capacity within hubs, combined authorities, or investment platforms that can translate local needs into investable propositions.

Use intermediaries to:

- Develop pooled or bundled vehicles that meet minimum ticket size;
- Standardise structuring to reduce friction and transaction costs;
- Broker relationships across investor types with clearly staged entry points.

3. Frame Propositions in Terms of Value, Not Just Need

Many investment memoranda focus heavily on the public sector's funding gap. This rarely resonates with institutional capital. Investors want to understand what value is being created financially, strategically, or socially and how they can participate in it.

Position propositions to:

- Articulate predictable, long-term revenue streams or creditworthy counterparties.
- Quantify co-benefits where possible (e.g. NHS cost savings, avoided emissions);
- Align with investor mandates, whether fiduciary, strategic, or impact led.

4. Build Co-Benefits and Impact into the Core Model

Impact and co-benefit investors are significantly underutilised in UK infrastructure finance. These actors are willing to fund parts of the system that are not commercially viable on their own but deliver system-wide value.

To crowd in such capital:

- Make co-benefits visible and measurable (e.g. through MRV frameworks);
- Embed impact metrics at the design phase, not as an afterthought;
- Structure contracts and revenue models that link outcomes to financial performance.

5. Reframe Strategic Corporates as Market Enablers

Corporates are often viewed as downstream customers or marginal investors. However, they can play catalytic roles by anchoring demand, embedding technology, and creating new revenue models. Strategic engagement should focus on value alignment and shared market building.

Use this approach to:

- Frame energy and retrofit propositions in terms of data, mobility, and service integration;
- Offer corporates visibility and influence in platform design;
- Explore cross-sector partnerships that bridge technology, housing, energy, and health.

6. Recognise and Manage the Value of Public Capital

Public sector funds, especially at the local level, are finite. They should be used deliberately to create investable conditions, unlock private capital and ensure delivery models align with public objectives.

To maximise impact:

- Use public capital to underwrite early risk or convene structured platforms;
- Combine guarantees, subordinated equity, or grant with investor-aligned terms;
- Recycle capital where possible to build long-term delivery capability.

This mapping should be reviewed and updated periodically as market conditions shift, investor strategies evolve, and new actors enter the space. As investment strategies mature under the Local Net Zero Accelerator and other national missions, this kind of structured intelligence will become increasingly important not just to secure funding, but to ensure that capital flows are consistent with long-term public value.

Methodology and Scope

This mapping exercise has been developed through a combination of desk-based research, synthesis of existing categorisation frameworks, and reflection on live investor engagement under the Local Net Zero Accelerator (LNZA) and wider local authority-led programmes.

The methodology prioritises clarity and usability over completeness. The landscape is presented as a set of archetypes or funder categories, each summarised by their typical characteristics, investment behaviours, and relevance to public sector-led delivery models. Where possible, indicative attributes such as ticket size, risk appetite, lifecycle entry point, and return expectations are included, based on publicly available data or previously disclosed fund strategies.

This version of the landscape draws on several sources:

- Public domain investment mandates and institutional strategy documents (like LGPS statements of Investment principles).
- Insights from prior engagement by local authorities, hubs and delivery partners.
- Emerging practice from bundled investment structures and place-based finance models.
- Ongoing work under LNZA to understand investor preferences and constraints (including work by GMCA, WMCA, YNY and FSS)

Investor types have been grouped according to institutional form and financial behaviour, not legal structure. The emphasis is on helping users understand where alignment may exist and where additional structuring, partnership, or policy support may be required to create investable conditions.

This is a working knowledge product and should be treated as a living resource. It is not exhaustive and does not replace commercial due diligence or investor-specific engagement. However, it offers a consistent foundation for local authorities and partners to assess investor fit, tailor approaches, and contribute to a more confident and coherent pipeline development strategy.

Investor Archetypes

This section provides an overview of key investor types relevant to local authority-led net zero and infrastructure portfolios.

Each archetype represents a cluster of actors with similar mandates, return expectations, and constraints. While individual institutions will differ, the categories below offer a structured way to assess potential alignment and tailor engagement strategies accordingly.

1. Defined Benefit Pension Funds

Defined Benefit (DB) pension funds are long-term, liability-driven investors. Their primary obligation is to deliver secure, inflation-linked returns to meet future liabilities.

As many UK schemes have matured and improved their funding levels, there is a growing emphasis on stability and asset-liability matching. This increases interest in infrastructure assets with reliable cashflows, particularly at post-construction or operational stages.

They are highly regulated and conservative, often investing via pooled platforms or fund-of-funds. However, the rise of place-based investment mandates and ESG integration means DB funds are increasingly open to UK net zero projects that can demonstrate risk-adjusted return, credibility of delivery, and long-term alignment with public value.

Typical roles:

- Post-construction equity or debt refinancing
- Anchor capital in mature bundled vehicles
- Co-investment via LGPS pools or infrastructure platforms

Engagement route:

- Intermediated engagement via platforms like PiP or LGPS pools
- Aggregated pipelines to meet scale thresholds
- Emphasis is on fiduciary framing and track record

Examples and rationales:

- **USS (UK):** Significant infrastructure holdings, including UK renewables.
- **GMPF (UK):** Active in local housing and place-based initiatives; foundational to Northern LGPS. Great experience in stimulating the commercial real estate sector in Manchester (for example over a phased period).
- **Ontario Teachers' (Canada):** International investor in regulated infrastructure and utilities. HS1, Kings Cross Regeneration etc.

2. Sovereign Wealth Funds (SWFs)

SWFs are globally significant investors, often with mandates to preserve wealth, stabilise national budgets, or secure strategic assets. Their scale allows them to take major stakes in infrastructure, energy, and real estate assets. While some are return-maximising, others are policy-aligned, focusing on technology, green transition, or food and energy security.

SWFs typically require scale, geopolitical stability, and clear governance. They rarely invest at feasibility stage but can anchor major programmes or platforms with sufficient de-risking and upside.

Typical roles:

- Equity investment in bundled infrastructure vehicles
- Strategic anchor for co-investment with DFIs or national funds
- Secondary acquisition of stabilised assets including securitisation of bundled assets.

Engagement route:

- High-level diplomacy or sovereign liaison (e.g. engagement already through DBT and the Office for Investment).
- Strategic partnerships or co-investment with UK infrastructure platforms
- Framing of assets in policy and long-term economic alignment terms

Examples and rationales:

- **Mubadala (UAE):** Co-investor in life sciences, energy, and UK infrastructure.
- **GIC (Singapore):** Active in UK real estate and energy platforms.
- **CIC (China):** Holder of UK transport and utilities stakes; long-term outlook.
- **PIF (Saudi Arabia):** Global investor in green transition infrastructure and innovation.
- **Dubai Ports (UAE):** Global investor in Infrastructure – including ownership of majority of UK ports.

3. Development Finance Institutions (DFIs)

DFIs are publicly backed investors with a mission to catalyse private capital into high development value sectors or areas of market failure. While traditionally focused on emerging markets, many DFIs now view domestic net zero and inclusion challenges as equally worthy of intervention. The National Wealth Fund mandate is an example.

DFIs offer (typically) flexible, catalytic capital including equity, debt, guarantees, and technical assistance. They help absorb early risk, build investor confidence, and enable blended finance structures.

Typical roles:

- Early-stage risk capital
- Subordinated or first-loss positions
- Structuring and governance support for blended vehicles

Engagement route:

- Early visibility of pipeline scale and delivery strategy
- Clear articulation of developmental outcomes (resilience, inclusion, just transition)
- Use of DFIs as convenors for broader capital mobilisation

Examples and rationales:

- **British International Investment (UK):** New domestic mandate for UK net zero infrastructure.
- **IFC (World Bank Group):** Pioneer in blended finance, with global infrastructure structuring experience.
- **FMO (Netherlands):** Climate-focused DFI with capacity for technical and financial support.

- **National Wealth Fund (UK):** Evolving mandate.

4. Insurance Funds / Annuity Providers

Insurance companies and annuity funds have a natural interest in long-dated, stable assets. Solvency II (how much cash and cash like assets they are mandated to hold) and other prudential regulations influence their risk appetite - often making infrastructure debt or low-risk equity more attractive than development capital.

They can be important long-term partners in refinancing or acquiring operational portfolios once construction risk is removed. Some have also launched bespoke platforms for green or social infrastructure.

Typical roles:

- Long-dated senior debt
- Operational-stage equity in de-risked vehicles
- Refinancing partner for public-private bundles

Engagement route:

- Infrastructure debt or green bond issuance
- Participation via credit-enhanced blended vehicles
- Emphasis on creditworthiness and regulatory alignment

Examples and rationales:

- **Legal & General (UK):** Active in UK housing and infrastructure via its capital division.
- **Aviva (UK):** Strong interest in net zero infrastructure debt with social impact.
- **Allianz (Germany):** Pan-European infrastructure investor, often via project bonds.

5. Strategic Corporates

Strategic corporates are investing to secure market access, enable digital services, or demonstrate sustainability leadership. Their capital is not always financial in nature: it may come as procurement guarantees, demand aggregation, or bundled service offerings.

For example, companies like Microsoft and Google invest in renewable energy not for yield, but to power data centres and enhance their climate credentials. Others like Hitachi are building entire energy-as-a-service propositions for retrofitting and performance contracting.

Typical roles:

- Early-stage partner or offtaker
- Anchor for bundled digital/energy projects
- Joint venture or customer-side co-investor

Engagement route:

- Strategic dialogue tied to commercial positioning
- Co-design of service and data ecosystems
- Bundling of retrofit, analytics, and mobility offers

Examples and rationales:

- **Microsoft (US):** Cloud infrastructure investments driving energy procurement.

- **Hitachi (Japan):** Offering retrofit repayment through tech-enabled billing models.
- **Saudi Aramco Ventures:** Energy tech investment arm aligned with decarbonisation transition.
- **Amazon Web Services (AWS):** Greening of cloud and logistics value chains drives net zero infra demand.

6. Infrastructure Funds

Infrastructure funds are typically structured as private equity vehicles backed by institutional capital. They seek returns in the range of 6–12% IRR (typically), depending on geography, sector, and maturity of the asset. Most favour construction-ready or brownfield investments with clear cashflows but some have moved earlier into development through platform partnerships or managed accounts or co-investments alongside other strategic actors or mandates.

Their relevance lies in their ability to structure, bundle, and scale projects, often taking on active asset management roles and operating through specialist subsidiaries. Infrastructure funds can also be flexible in financing terms, ranging from mezzanine debt to equity, especially where there is potential for value uplift or portfolio aggregation.

Typical roles:

- Construction-stage equity or mezzanine
- Scaling and bundling platforms
- Active delivery and asset management partners

Engagement route:

- Structured deal flow with visibility of pipeline
- Partnership with aggregators or local SPVs
- Engagement through specialist climate or infra funds

Examples and rationales:

- **Macquarie (Australia):** Global infrastructure platform investor, with deep structuring expertise and UK asset exposure.
- **Infracapital (UK):** Focused on digital, energy, and community infrastructure across the UK and Europe.
- **Brookfield (Canada):** Major funder of global energy and climate transition infrastructure, including PPPs.
- **Meridiam (France):** Specialist in long-term public-private infrastructure partnerships.

7. Impact Investors

Impact investors seek to deliver measurable environmental or social outcomes alongside financial returns.

Their return expectations vary: from “market-rate” to “concessionary” depending on the degree of impact and the capital stack involved. They are often willing to fund undercapitalised or early-stage propositions that conventional investors cannot.

They also support innovative financing mechanisms such as outcome-based contracts, social or climate bonds, and hybrid revenue structures. Their involvement is critical in high-impact, low-return sectors such as social housing retrofit, public health-aligned decarbonisation, or place-based equity programmes.

It’s worth noting that a number of large investors now define their entire proposition as “impact”. The Japanese $2 trillion GPIF (pension) fund falls into this category – mandating it’s entire holdings as “impact”.

Typical roles:

- Early-stage or subordinated equity
- Outcome-linked funding
- Evaluation and monitoring partners

Engagement route:

- Clear impact metrics aligned with investor priorities
- Transparency on co-benefits and reporting pathways
- Integration into blended finance stacks

Examples and rationales:

- **Bridges Fund Management (UK):** Place-based investor focused on inclusive, sustainable growth.
- **Big Society Capital (UK):** UK social investment wholesaler, active in community retrofit and housing.
- **BlueOrchard (Switzerland):** Global climate and impact investor, with strong appetite for ESG data.
- **Acumen (US):** Focuses on under-served communities and high-impact innovation, especially in early-stage financing.

8. Foundations and Philanthropic Capital

Foundations offer patient, highly flexible capital, often aligned to specific social or environmental missions. While typically smaller in volume, their funding is critical for early-stage enablement, public legitimacy, and long-term systemic change. They often support feasibility studies, pilot programmes, technical assistance, and policy engagement.

In the context of local net zero investment, foundations can help fill strategic gaps: enabling experimentation, citizen engagement and co-benefit tracking in areas not yet commercially viable. Their involvement can also unlock matched funding or serve as a credibility signal for more risk-averse investors.

Typical roles:

- Feasibility and design funding
- Innovation and capacity-building grants
- Outcome validation and impact monitoring

Engagement route:

- Clear alignment with mission and community outcomes
- Potential for pooled vehicles or programme-related investment (PRI)
- Use of foundation convening power to support public interest frameworks

Examples and rationales:

- **Wellcome Trust (UK):** Health and resilience funding, with a growing climate-health lens.
- **Laudes Foundation (CH):** Funded retrofits and just transition initiatives in the built environment.
- **Bloomberg Philanthropies (US):** Major supporter of city-level climate innovation and data governance.
- **Rockefeller Foundation (US):** Pioneer of resilience investment, blending philanthropy and finance.

9. Green and Climate-Aligned Funds

Green funds - including multilateral climate vehicles and thematic private sector funds are dedicated to accelerating the transition to a low-carbon economy. They offer a blend of equity, debt, and concessional instruments, with a strong emphasis on innovation, first-of-a-kind technologies, and system-level transformation.

They often co-invest with DFIs or philanthropies and can help improve financial structuring through tools like **first loss guarantees**, technical assistance, or outcome-based bonuses. While more commonly deployed internationally, these funds are increasingly exploring domestic applications in “developed” markets like the UK.

Typical roles:

- Pilot funding or anchor investment in blended structures
- First-loss or junior capital
- Technology validation and replication

Engagement route:

- Participation in structured green vehicles with clear governance
- Integration of robust MRV (monitoring, reporting, verification) systems
- Framing investments as scalable, replicable models

Examples and rationales:

- **Green Climate Fund:** Multilateral climate finance body targeting scalable climate infrastructure.
- **Climate Investment Funds (CIF):** Funds just transition and clean energy infrastructure globally.
- **Breakthrough Energy Ventures:** Venture arm focused on deep decarbonisation technologies.

10. Private Developers (On-Balance Sheet)

Private developers often fund early-stage works at risk, including site assembly, planning, and pre-construction mobilisation. They typically seek to recoup costs through land uplift, forward funding, or flipping assets into funds or SPVs.

While not always investors in the conventional sense, they are essential partners in delivery and may co-invest if offered long-term returns or strategic concessions (e.g. through heat networks or integrated retrofit offers). Their appetite is shaped by planning certainty, political stability and governance as well as clarity on delivery models.

Typical roles:

- Early-stage risk-bearing development
- Co-investment in joint ventures or SPVs
- Delivering bundled or multi-asset schemes

Engagement route:

- Transparent procurement with structured co-investment options
- Opportunity to scale through phased or regional frameworks
- Recognition of developer margins and delivery timelines

Examples and rationales:

- **Muse Developments (UK):** Mixed-use regeneration with net zero integration (e.g. Wythenshawe).
- **Peel L&P:** Infrastructure-heavy brownfield redeveloper active in Greater Manchester.
- **Octopus Energy:** Bundled retrofit and generation propositions with flexible financing offers.

11. Community and Cooperative Finance

Community finance vehicles raise capital from local stakeholders, often through bond issues or community share offers. While smaller in scale, they deliver strong local legitimacy, drive participation, and can fill small gaps in financing or unlock community-scale energy assets.

They are particularly relevant for neighbourhood retrofit, local generation, or demand-side innovation. They also support just transition goals by redistributing value to citizens and building public support.

Typical roles:

- Local co-funders
- Community equity stakes
- Governance or stewardship partners

Engagement route:

- Structured role within delivery models (e.g. community share class)
- Blending with philanthropic or impact funding
- Support from local authorities for aggregation and management

Examples and rationales:

- **Big Solar Co-op (UK):** Supports community-led solar PV on public and commercial buildings.
- **Energy4All:** Enables community ownership of renewable projects.
- **Abundance Investment:** Retail investment platform for civic infrastructure and energy.

12. Public Sector / Devolved Funds

Public sector investment whether via local authorities, devolved institutions, or state-backed investment banks plays a vital anchoring and market-making role. These funds often enter early or in subordinated positions to improve project viability or crowd in private capital.

They may act as strategic investors in joint ventures, provide guarantees, or use their balance sheet to underwrite long-dated commitments. In blended finance stacks, their participation is often essential to unlock both scale and legitimacy.

Typical roles:

- Anchor or “special” equity
- First-loss or guarantee capital
- Strategic investor in platforms or pooled vehicles

Engagement route:

- Structured governance and clear delivery mandate
- Reinvestment and recycling mechanisms
- Alignment with broader public value objectives (skills, housing, resilience)

Examples and rationales:

- **GMCA (UK):** Already deploying grant, equity and loan finance in housing and net zero programmes.
- **WMCA (UK):** Actively pursuing place-based investment partnerships.
- **UK Infrastructure Bank (UKIB):** Supports net zero and levelling-up through direct and indirect capital.

Summary Table: Investor Archetypes for Net Zero Place-Based Investment

Archetype	Description / Strategic Role	Representative Examples	Rationale for Inclusion
Defined Benefit (DB) Pension Funds	Long-duration, liability-matching investors with low cost of capital, typically prefer post-construction or mature-phase infrastructure (operational risk only).	Universities Superannuation Scheme (USS), GMPF, Ontario Teachers' Pension Plan	Hold trillions in AUM and seek predictable cashflows; GMPF already active in UK local investment.
Sovereign Wealth Funds (SWFs)	National investment vehicles often seeking long-term stable returns or strategic footprint; increasingly climate-focused portfolios.	Mubadala (UAE), Singapore's GIC, Canada's CPP, PIF (Saudi)	Many UK assets already owned by SWFs (e.g. Dubai Ports, CK Hutchison); strategic alignment for scale/tech.
Development Finance Institutions (DFIs)	Provide patient or concessional capital to de-risk early-stage or non-commercially viable segments. Also act as anchor investors to crowd in private finance.	British International Investment, EIB, KfW, AfDB, IFC	Offer concessional capital and blended finance tools, often with strong ESG mandates.
Insurance Funds / Annuity Providers	Require investment-grade risk profile, typically enter post-construction. Strict Solvency II compliance.	Legal & General, Aviva, Allianz	Can supply large volumes of long-dated debt; cautious but scalable capital source.
Strategic Corporates	Invest where net zero infrastructure unlocks demand for core services, supports market development, or enables digital/service strategy integration.	Hitachi, Microsoft, Google, Aramco Ventures, Amazon	Interest not just in return, but in demand creation (e.g., data centres, energy-as-a-service, IoT ecosystems).
Infrastructure Funds	Private equity-style vehicles seeking higher returns. Often active during construction or late development, with bundling and platform strategies.	Macquarie, Equitix, Brookfield, Antin	Key players in structuring, bundling, and scaling models—may also bring operating expertise.

Archetype	Description / Strategic Role	Representative Examples	Rationale for Inclusion
Concessionary / Impact Investors	Accept below-market returns in exchange for measurable social, environmental, or systemic impact. Strong alignment with co-benefits or place-based strategies.	Big Society Capital, Joseph Rowntree Foundation, Nesta, Bridges Fund Management	Critical for unviable assets or outcomes (e.g. retrofit, health-linked decarbonisation).
Endowments and Foundations	Mission-aligned, flexible capital often deployed for strategic local initiatives or through programme-related investments (PRIs).	Wellcome Trust, Garfield Weston Foundation, Esmée Fairbairn Foundation	Frequently underutilised in infrastructure but powerful when aligned with public benefit goals.
Green and Climate Funds	Climate-aligned capital pools, often concessional or catalytic in nature. Can support innovation, first-loss capital, and blended finance.	Climate Investment Funds, Green Climate Fund, Breakthrough Energy Ventures	Aligned with national and local climate goals; may support innovation sandbox or first-of-a-kind technologies.
Private Developers (on balance sheet)	Often fund early-stage development or pre-construction works at risk. Seek de-risking through partnerships, off-take or bundling strategies.	Peel L&P, Urban Splash, E.ON, Octopus Energy	Take early risk but need clear pathways to recover development costs or flip to infrastructure funds.
Community and Cooperative Finance	Raise patient capital from local citizens or members, often via bonds or share offers. Used in community energy, place-based projects.	Energy4All, Abundance Investment, Big Solar Co-op	Ideal for enhancing public legitimacy, co-benefits, and creating buy-in in sensitive retrofit/heat projects.
Public Sector / Devolved Funds	Public finance entities that invest directly, or underwrite risk through guarantees, co-investment, or anchor capital.	GMCA, WMCA, Scottish National Investment Bank, UKIB	Provide first-loss or subordinated positions to crowd in other capital; act as convenors and market makers.

Thematic Insights and Emerging Patterns

The investor landscape is increasingly diverse, but several cross-cutting patterns have emerged that should inform local authority strategies for capital mobilisation. These insights reflect both structural dynamics in the investment market and lessons from live engagement under the Local Net Zero Accelerator and related initiatives.

1. Sequencing and Structuring Matter More Than Labels

Investor appetite is not just a function of asset class or geography; it is shaped by how risk and reward are sequenced. Investors who would not enter at feasibility stage may participate if development risk is absorbed or shared. Concessionary actors may fund early-stage work but expect to be recycled or exited once commercial investors enter. Understanding this choreography is more important than identifying a single "type" of investor.

2. Blended and Tiered Structures Are Becoming the Norm

No single investor class can fund a full local net zero programme. The most investable propositions are those that layer capital types: grant, first-loss, junior equity, senior debt - in ways that reflect both risk and impact. DFIs, foundations and local authorities can play catalytic roles by absorbing early risk and enabling institutional capital to scale later. Where blending is absent, portfolios are often left underfunded or excessively reliant on public subsidy.

3. Demand-Side Enablers Are Increasingly Strategic

Strategic corporates, utilities and technology providers are showing growing interest in funding or co-developing place-based infrastructure not primarily for financial return, but to secure demand for their services, data, platforms or technologies. This creates opportunities for authorities to engage corporates not as passive sponsors but as active enablers of demand aggregation, system optimisation or digital infrastructure.

4. Impact and Outcome Investors Remain Underserved

Many local authorities are unclear on how to structure propositions for outcome-based investors. Yet social impact funds, foundations, and outcome-focused DFIs are often well aligned with the goals of local net zero programmes. The absence of common language, impact metrics or procurement routes can be a barrier. Co-benefit quantification and impact frameworks should be embedded early not retrofitted post hoc. The WMCA work is exactly in line with this.

5. Data, Governance and Track Record Drive Confidence

Global investors, particularly sovereign and institutional capital, consistently highlight governance, data quality, and delivery assurance as preconditions for entry. This is especially true for bundled or place-based portfolios. Local authorities seeking to attract such capital must present structured pipelines, delivery capability and clear governance processes. Political support and cross-agency coordination are important but insufficient without credible execution planning.

6. Place-Based Investment is gaining currency but needs intermediation

The concept of place-based impact investing is gaining traction across pension funds, foundations, and blended finance actors. However, many do not yet have the internal resource or mandate to originate complex, multi-asset projects from scratch. There is a growing need for credible intermediaries who can shape propositions, structure finance, and provide post-investment stewardship on behalf of local public bodies.

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