

Report of Chief Strategy Officer

Local Net Zero Accelerator (City Leap Accelerator) – Strategic Energy Partnership Options Appraisal

Summary

1. Rising energy costs are placing significant pressure on both households and businesses. The accelerating impacts of climate change, including record heatwaves, droughts, wildfires, and flooding, are already affecting lives, livelihoods, and the natural environment we value. Without bold and decisive action, these challenges will only intensify.
2. Local and regional authorities are at the forefront of tackling the climate emergency but face significant barriers in achieving ambitious emissions reduction targets. In response, the Department for Energy Security and Net Zero (DESNZ) established the Local Net Zero Accelerator Programme (LNZA), consisting of three place-based pilots in the West Midlands, Greater Manchester and York and North Yorkshire (YNY), to accelerate delivery of clean energy projects.
3. The York and North Yorkshire Local Net Zero Accelerator (LNZA) Project commenced in June 2024. With the aim to explore solutions to current barriers to achieving net zero by testing different delivery models that would accelerate the move towards energy independence and net zero at a regional level. It includes consideration of the benefits of delivering at pace at a regional level, with many of the barriers, and opportunities, shared across YNY.
4. By testing different delivery models, the project has developed an Outline Business Case (OBC) which has been approved by the York

and North Yorkshire Combined Authority (YNYCA). The project will conclude with the development of a Full Business Case (FBC).

5. LNZA is facilitated by YNYCA in collaboration with the City of York Council (CYC) and North Yorkshire Council (NYC). It is funded DESNZ, with governance oversight and challenge at the programme board provided by DESNZ and HM Treasury.
6. The project was planned to be completed by March 2026. However, a six-month extension has been granted by DESNZ to complete the project objectives by August 2026 within the existing budget of £2m. This includes £249,750 allocation to CYC.
7. This report provides an overview of the Options Appraisal process used to inform the Outline Business Case, including the process to explore and test different delivery models.
8. Following this process, the project board recommended that the OBC set out the benefits to establish a Strategic Energy Partnership structure across the three authorities in the region.
9. A Detailed Options Appraisal Report is included as **Annex 'A - LNZA SEP Detailed Options Appraisal Report.pdf'** and outlines the long-list to short-list option appraisal process that was completed in collaboration between CYC, NYC and YNYCA.
10. The resulting preferred option (a regional operating entity with phased transition) was subsequently taken forward to OBC, and was presented to the YNYCA Committee to consider on the 5 June 2026. As part of the decision-making process, views have been sought from senior management teams in YNY local authorities.
11. The FBC will detail the preferred option for a final decision in late 2026. The development of the FBC is fully funded by DESNZ. Any decision process at FBC will require approval from all three authorities.
12. Scrutiny is asked to consider the content of this report, provide comment and feedback on the appropriateness and effectiveness of the long-list to short-list options appraisal process that informed the OBC,

and to help ensure the FBC demonstrates a comprehensive and robust process for identifying a preferred delivery option.

Background

13. The ambition for YNY to become a carbon negative region was an underpinning objective of the York and North Yorkshire Devolution Deal. York and North Yorkshire's Strategy for a Sustainable Future¹ provides a clear, co-owned plan to accelerate the transformation of YNY to carbon negative. It sets out a vision and strategic priorities for regional decarbonisation.
14. In 2022, a suite of Local Area Energy Plans (LAEPs)² were developed to set out a spatial plan for decarbonising YNYs energy system in line with future changes in energy demand, enabling the development of a prioritised pipeline of energy projects across the region.
15. YNYCA intends to build on the LAEPs through the Local Net Zero Accelerator (LNZA) pilot project to ensure a consistent, ambitious, and community-focused approach to accelerating the transition to carbon negative.
16. The LNZA is a pilot programme across three Combined Authority regions, Greater Manchester Combined Authority (GMCA), West Midlands Combined Authority (WMCA), and York and North Yorkshire Combined Authority (YNYCA). These pilots set out to develop comprehensive pipelines of clean energy projects, testing innovative financing models, and attracting commercial investment to drive local economic growth and sustainability.
17. The initial primary objectives of the YNYCA LNZA pilot project were:
 - a. To identify and agree the key outcomes and success criteria for a Bristol City Leap (BCL) model replicator in YNY
 - b. To identify the key requirements to replicate the BCL model and test whether the model is the most appropriate strategic energy partnership model for YNY.
 - c. To adapt the BCL model to a YNY context, or if the model is not suitable, co-design an alternative partnership delivery model that

¹ [20251128 - Appendix 1 - Draft Strategic Framework for York and North Yorkshires Strategy for a Sust.pdf](#)

² <https://yorknorthyorks-ca.gov.uk/what-we-do/strategy-and-policy/local-area-energy-plans/>

can drive investment and increase pace of delivery of net zero in the region and;

- d. Develop an Action Plan to identify key activities, resources and costs to replicate the BCL model at an accelerated pace in YNY, or for an alternative preferred energy partnership model for YNY.

Bristol City Leap model

18. In January 2023, Bristol Council entered into a 20-year strategic partnership with Ameresco and Vattenfall Heat UK, establishing a Joint Venture (JV) incorporated company named Bristol City Leap. Bristol City Leap is intended to increase investment into Bristol to help reduce carbon emissions and fight climate change.

A 20-year Concession Agreement underpins the BCL JV:

- The Council and Ameresco have equal representation on the board of the JV company in relation to strategic matters;
- The Strategic Partner is granted exclusivity to develop low carbon projects on the council's land and estate;
- The Strategic Partner has first-right-of-refusal of projects; subject to protections on value for money and compliance with council policies and development plans;
- The Strategic Partner has exclusivity to bid for and deliver grant funding; and
- The Council has Transfer of Undertakings (TUPE) staff to the City Leap team and transferred the Heat Network to the JV.

The relationship with Ameresco and Vattenfall is managed by the council's internal City Leap Client team. The team also manages the council's energy usage as an organisation.

19. The LZNA project objectives were focused on evaluating the BCL model for deployment across a different physical and political geography. During the early stages of the LNZA programme and options appraisal, it became evident that alternative models should also be considered alongside the BCL model to ensure a comprehensive scope of analysis. This approach mitigated the risk of excluding models that may be more suitable for the region due to misalignment with the project's formal objectives.
20. Bristol City Council and BCL teams have been engaged throughout the project to share their lived experience of establishing the delivery

model, establishing dedicated teams, and delivering projects. Valuable insights and corporate learnings have helped inform the long-list to short-list process.

Long-List to Short-List Options Appraisal: Timeline Overview

21. The process followed was aligned with the UK Treasury Green Book³ approach to define a strategic case, identify a long-list of options and assess against the strategic case to short-list options down to a preferred model.
22. The Options Appraisal process for a regional Strategic Energy Partnership model saw a significant evolution over a 12-month period as risks were explored and mitigated. This included identifying the breadth of options that may form all, or part, of a model and later exploring the intricacies of the short-listed model options, how they could be deployed across the three authorities, and how they align with the regional and local partnership priorities.
23. At a high level the steps included:
 - 1) Initial “**Options Assessment**” workshops exploring four fundamentally different delivery models. These models were assessed for suitability against several themes and an early round of engagement workshops, comprised of the three authorities, were completed to assess any early perspectives and consideration across the authorities.
 - 2) Clarifying and formalising the Aims, Objectives and Outcomes to form basis of an “**Objectives Appraisal**” model scoring methodology. These core principles were agreed across the authorities and aligned with the LNZA programme objectives.
 - 3) It was acknowledged that the options appraisal work to this point had considered, but not sufficiently formalised, the different perspectives and ambitions from the three authorities. An “**Appetite Appraisal**” methodology was developed to identify how different models, or model combinations, aligned with the different delivery structures, risk appetite, and acceptance of differing levels of private sector involvement, asset ownership and autonomy across the authorities.

³ https://assets.publishing.service.gov.uk/media/698dbcd17da91680ad7f4308/The_Green_Book_2026.pdf

- 4) A review of the options appraisal process confirmed the breadth and depth of analysis undertaken, as well as the value of work to support the OBC. This work provided a strong foundation for the options appraisal. However, to better support the development of both the OBC and FBC, the existing Objectives Appraisal methodology was refined into a “**Dimensional Appraisal**” approach. This enhanced methodology aligned more closely with HM Treasury’s Green Book guidance and expanded the assessment framework through additional scoring criteria, including Strategic Objectives and Critical Success Factors.
 - 5) The Short-List Options were formally identified using the Dimensional Appraisal methodology, which was informed and shaped by previously completed data and engagement led scoring methodologies.
24. Throughout the programme, discussions with LNZA Financial Support Services and engagement with other local and combined authorities identified additional options, which were subsequently included in the Objectives & Appetite Appraisal process. This enabled a data-led assessment of each option, scoring models against their alignment with the agreed partnership objectives, and highlighting differences in appetite and alignment across the three authorities.

Phase 1 “Initial Options Assessment”

25. Four distinct delivery options were assessed:
- a. 50/50 Joint Venture Partnership
 - b. Strategic Partner-Led Joint Venture
 - c. Authority-led Framework
 - d. Enhanced In-house Delivery
26. These were assessed against six “Themes” to identify strengths and weaknesses of each, within the YNY context. The output was a structured written assessment of considerations for each theme, across the 4 options. See Annex ‘B - Options Assessment Themes.pdf’
27. This process was successful in drawing out new questions for each model assessed, providing the catalyst for a broader analysis of the intricacies of each model, and identifying variations of each model being explored or deployed by other local and combined authorities.

Phase 2 “Objectives Appraisal”

28. Building on this work, a strategic framework was created and approved by the project board which sets out the foundational building blocks necessary to create a strategic energy programme in YNY, capable of accelerating the region’s delivery to net zero. More detail on the Strategic Framework can be found in Annex ‘C - Strategic Objectives & Appraisal.pdf’.
29. The themes identified in the strategic framework were considered alongside each model option as part of the Objectives Appraisal and scored individually, with each measure split into multiple scoring criteria. The scoring was completed by representatives across the three authorities with project board members having oversight and review of the scoring methodology and results. The National Wealth Fund were also consulted as a “Critical Friend” to the programme to assess the appropriateness and effectiveness of the methodology and investment readiness of the approach.
30. The Strategic Objectives Appraisal scoring for each assessed model can be found in Annex ‘C - Strategic Objectives & Appraisal.pdf’. Four models score notably higher than the remaining six options. However, it was acknowledged that lower scoring models still provided valuable elements that were not effectively demonstrated within the Objectives Analysis.

Phase 3 “Appetite Appraisal”

31. Throughout the Options Appraisal process, the project board were consulted. The feedback on the process identified that although the assessment of different delivery models against the potential to deliver on the agreed objectives was valuable, it didn’t clearly present any underlying differences between the authorities.
32. An Appetite Appraisal was developed by the project team to assess the difference in perspectives between the three authorities, acknowledging that there are unique characteristics of each authority’s scale, expertise, and current delivery towards net zero across different sectors. The Appetite Appraisal was structured to assess each model based on each authority’s appetite across the same themes assessed in Phase 1.
33. An overall regional appetite for each model was scored with the purpose of presenting alignment and difference across the authorities and enable focus of which models best aligned with the appetite of all

three authorities. The Appetite Appraisal scoring document can be found in Annex 'D - Appetite Appraisal Scoring.xlsx'

Phase 4 “Dimensional Appraisal”

34. Aims, Objectives and Outcomes, were restructured into five Strategic Objectives (SO's) for the programme and Business Case. These Strategic Objectives were defined with comprehensive specific, measurable, achievable, relevant and time-bound (SMART) goals. They are structured to enable more consistent scoring and ensure suitable compliance with Green Book options appraisal guidance:

SO1	To accelerate the delivery of regional energy independence that promotes economic transformation and drives healthy and thriving communities – ensuring York and North Yorkshire leads the way to become England's first carbon negative region, in line with current regional and local authority strategies and commitments.
SO2	To develop a strategically driven pipeline of projects that enables funding and investment while bundling less commercially viable yet strategically aligned initiatives alongside high-return opportunities, ensuring a balanced portfolio that delivers regional net zero objectives and wider social value.
SO3	To secure and optimise public funding and commercial investment, harnessing innovative approaches to maximise regional outcomes and long-term programme sustainability
SO4	To reduce carbon emissions in line with regional strategies and statutory commitments.
SO5	To enable tangible social and economic opportunities and benefits, to be felt within local communities such as driving job creation, supporting local supply chains and skills development.

35. The programme also defined five Critical Success Factors (CSF's) that each model was evaluated against:

Ref	Critical Success Factor	Critical Success Factor Goal
CSF1	Strategic fit and business needs	To develop a robust governance route that enables strategically-driven programme delivery at pace and scale.
		The solution will provide strategic alignment across the three authorities
		The solution aligns with and supports delivery of the CA & LAs current strategies
		The solution provides the required flexibility to manage differing requirements and risk appetites across the LA partners
CSF2	Potential value for money	To enable access to the required grant funding to support leveraging private finance and scale up delivery
		To optimise financial returns from commercially viable projects to cross subsidise delivery of high impact social value projects
CSF3	Supplier capacity and capability	To enable project delivery at pace and scale, harnessing the use of local supply chains.
		The solution will be attractive to the supply chain and investors
CSF4	Potential affordability	The solution will be affordable for the authorities and remain within their spending limits
		Delivery of the solution will not place undue pressure on LA budgets or delivery of day-to-day services
CSF5	Potential achievability	To develop regional capacity and capabilities at the required quality to support programme delivery at pace and scale.
		The solution will optimise benefits and risks to ensure a long-term, viable programme

36. A refined approach to finalising the long-list to short-list process was formalised to ensure compliance with the latest HM Treasury Green Book 2026 version. The dimensional appraisal scoring, using the options framework can be found in Annex 'E - Dimensional Appraisal Scoring.pdf'.
37. The options appraisal was undertaken recognising differing starting positions, capacity and appetite across the participating authorities for alternative delivery and commercial models. These differences influenced the treatment of options, particularly those relying on fixed approaches such as wholly in-house or fully private sector-led delivery, which were discounted where they did not accommodate variation in local authority appetite or deliverability.
38. The preferred options were identified on the basis that they provide sufficient flexibility to align authorities around a shared programme

framework, while allowing for variation in delivery routes, phasing and local implementation. This ensures collective alignment is achieved without constraining participation or undermining programme-level value for money.

Phase 5 “Short-listed Options” – Phased Delivery

39. A short-list was identified that best met the Strategic Objectives and Critical Success Factors as a “Do minimum” and “Do maximum” approach that were also most aligned with the three authorities’ appetite for a regional partnership model to accelerate delivery towards net zero targets.
 - a. Do Minimum: Enhanced In-House Model
 - i. This model would strengthen internal capabilities by expanding existing energy programmes and climate change teams to establish a dedicated internal shared service. A combined authority-led framework would procure private expertise on a project-by-project basis. Funding would be addressed through the creation of a Limited Partner Fund, supported by cornerstone investment from YNY.
 - b. Do Maximum: Regional Delivery mechanism
 - i. This is a coordinated model that enables the three authorities to plan, fund and deliver the region’s energy transition collectively. It integrates strategic planning, project development, delivery and investment through a Regional Operating Entity (ROE), supported by a Regional Infrastructure Company (RIC) and Regional Investment Fund (RIF). This allows projects to be bundled, financed at scale and delivered efficiently.
 - ii. The model retains public sector control while attracting public and private capital, enabling commercially viable projects to support less viable but strategically important schemes – achieving outcomes beyond individual authorities. Control is maintained through a jointly owned ROE aligned to shared strategic objectives.
 - iii. The ROE operates through a dual structure: a Teckal-compliant entity for direct delivery on behalf of the authorities, and a non-Teckal entity for wider market engagement. This ensures value, transparency and control

where exemptions apply, while retaining flexibility to competitively engage the private sector. Overall, the model combines strong public oversight with the commercial capability needed to attract investment and deliver at scale.

40. The outcomes of the options appraisal process have defined a short-list of options that support accelerated delivery towards net zero targets. The short-listed options both support the regional objectives and critical success factors but also considers regional priorities, existing capability, a desire to pursue self-delivery where viable, and enables opportunities for private sector engagement for specialist project delivery where desired.

Consultation

41. There has been engagement across the three authorities at different levels, including differing technical, specialist and functional capabilities, and strategic scope and role responsibilities. The below outlines specific CYC consultation but processes were replicated across NYC and YNYCA:
 - a. Engagement across council teams to establish current net zero delivery activities, successes, challenges, opportunities, funding streams, procurement processes, fundamental restrictions, and identify any contractual arrangements that could conflict with a strategic partnership. The purpose of this work was to establish a BAU baseline for model assessments. Teams that were consulted include:
 - i. Climate Change
 - ii. Highways
 - iii. Transport (Electric Vehicles & Fleet)
 - iv. Corporate Asset Management
 - v. Communities Asset Management
 - vi. Domestic Social Housing & Retrofit
 - vii. Domestic New Build
 - viii. Schools
42. CYC Chief Officers have been consulted throughout the project through various project governance procedures.
 - a. Programme Board – including stakeholders across several organisations:
 - i. YNYCA (Including Police and Fire)

- ii. CYC
 - iii. NYC
 - iv. DESNZ
 - v. Greater Southeast Net Zero Hub (GSENZH)
 - vi. HM Treasury
- b. Project Board (YNYCA/CYC/NYC) to provide regular project steering and guidance.
- i. Chief Strategy Officer
 - ii. Head of Climate Change
- c. Director Meetings (YNYCA/CYC/NYC). Focussed on major programme decisions and direction.
- i. Director of City Development)
- d. Stakeholder Workshops (YNYCA/CYC/NYC). Tailored workshops to get input and feedback on model options to feed into options appraisal and support the shaping of the OBC/FBC.
- i. Finance
 - ii. Legal
 - iii. Procurement
 - iv. Governance
 - v. HR
43. An external consultation and engagement strategy was delivered as part of the Strategic Energy Partnership options identification and appraisal process. Subject experts from public and private sector bodies have been engaged in different ways, and at different levels to build a picture of the opportunities and gain an understanding of the challenge and complexity of delivering a strategic energy partnership within YNY.

Organisation	Project Role	Consultation type/content
York and North Yorkshire Combined Authority	Lead Authority	<ul style="list-style-type: none"> • Project Governance / Management. • Senior Leadership Engagement. • Police & Fire Consultation. • Options Appraisal primary.
City of York Council	Support Authority	<ul style="list-style-type: none"> • Project Management. • Service Area Consultation. • Senior Leadership Engagement. • Options Appraisal support & scoring.
North Yorkshire Council	Support Authority	<ul style="list-style-type: none"> • Project Management. • Service Area Consultation. • Senior Leadership Engagement. • Options Appraisal support & scoring.
Local Net Zero Accelerator –	Support Organisation – contracted SLA as part	<ul style="list-style-type: none"> • Private partnership financing & investor advice.

Financial Support Service	of LNZA pilot programme	<ul style="list-style-type: none"> Partnership model detailed analysis and advice. Techno-Economic Modelling support across multiple sectors and LA asset classes.
National Wealth Fund	Support Organisation – “Critical Friend” – no contract / SLA	<ul style="list-style-type: none"> Support with evaluating proposed delivery and funding models. Critical evaluation of governance and fund structures. Project delivery prioritisation including focus on regional assets/projects pipeline informing model selection. Advice on delivering market engagement for an SEP.
Bristol City Council	Support Organisation – Specific SLA with individuals from Bristol City Leap team	<ul style="list-style-type: none"> Support and advice relating to the evaluation of a Concessional JV model within YNY. Support and guidance with considerations, challenges, contractual terms, options appraisal. Advice relating to developing an asset prospectus and delivering market engagement for an SEP.
Greater Manchester Combined Authority	Support Organisation – No SLA – Also a LNZA pilot with similar objectives	<ul style="list-style-type: none"> Regular communication for shared learnings across the LNZA pilots. Focus on Investment structures for enabling delivery of bundled projects with blended finance. Information from Oldham City Council through the GMCA relating to their Oldham Green New Deal Partnership structure.
West Midlands Combined Authority	Support Organisation – No SLA – Also a LNZA pilot with similar objectives	<ul style="list-style-type: none"> Regular communication for shared learnings across the LNZA pilots. Focus on project pipeline development, specifically building energy generation project pipelines across their region.
Coventry City Council	Support Organisation – No SLA	<ul style="list-style-type: none"> Regular communications with the partnership team that worked on developing their contractual JV partnership with EON. Support and advice on contractual terms, asset inclusion and setting expectations.
Ernst & Young (EY)	Consultancy Contract (August 24 – March 25)	<ul style="list-style-type: none"> Contracted during the inception of the programme whilst internal teams were being established. Supported with early thinking and consideration for the long-list options appraisal. Supported with senior stakeholder engagement to get an initial appetite assessment across the authorities.
Living Places	Consultancy Contract (November 25 – September 26)	<ul style="list-style-type: none"> Consortium of organisations with expertise in establishing energy partnerships within local government structures.

		<ul style="list-style-type: none"> Support with refining partnership options, project pipeline definition, legal, financial, and procurement support to realise partnership.
Various (via market engagement webinar and questionnaire)	Market Engagement – August 2025	<ul style="list-style-type: none"> Questionnaire feedback from various sectors including potential investors, partners and enablers. Input around preferred model options, scope limitations, and contract terms supported with the evaluation of the options against the market feedback.
Community Energy Organisations	Stakeholder Organisation – no SLA. Various organisations	<ul style="list-style-type: none"> Engagement with several community energy and community benefit organisations in the region to support the social value and community benefit assessment of the model options.
Other – Police & Fire, National Parks etc – Mostly YNYCA	Stakeholder Organisation – no SLA.	<ul style="list-style-type: none"> Engagement at project pipeline level to gauge interest and alignment with different models.
North East and Yorkshire Net Zero Hub	Regional knowledge base	<ul style="list-style-type: none"> Support with linking organisations and providing insight into model structures and relevant project development/delivery challenges.
Leicestershire CAN - Leicestershire County Council	Public sector body with SEP experience	<ul style="list-style-type: none"> Engagement to share learnings and feedback of journey through identifying and selecting a suitable partnership model.
North York Moors National Park Authority Yorkshire Dales National Park Authority York and Scarborough Teaching Hospital NHS Trust Forestry England Howardian Hills National Landscape Nidderdale National Landscape University of York	Stakeholder Organisation – no SLA. Various organisations	<ul style="list-style-type: none"> Various engagements for information gathering to support pipeline development, gauge interest in the programme and understand any potential implications with various partnership models for each organisation.

Options

44. Scrutiny is invited to review the below options and consider their preference:

- a. Option A – Accept the process that has been followed to determine a short-list of options and enable CYC to continue to contribute to the LNZA Strategic Energy Partnership FBC.

This option would allow continued efforts and progress on further defining the phased approach outlined in the LNZA OBC and maximise the potential outcomes of the LNZA programme within the funding timeframe of August 2026.

- b. Option B – Reject the process that has been followed to date, giving critical feedback to rework the process to members' satisfaction.

CYC would provide critical feedback to YNYCA and the wider LNZA project team to revisit and revise work where possible, within the funding timeframe.

Analysis

45. Option A:

a. Advantages

- i. Work is underway to assess the detailed considerations about the impact and implications to CYC at the next stage, FBC.
- ii. The LNZA programme is nearing the end of this phase of funding (August 2026). Through the Warm Homes Fund Call for Evidence, YNYCA have submitted a proposal that has the potential to provide additional and increased investment to support the progression of the LNZA programme and establishment of a regional structure to deliver the warm homes ambitions at pace. Should the Options Appraisal and model short-list methodology be supported, then it would contribute to the evidence base for regional alignment in the proposed structure.
- iii. The LNZA FBC could continue to explore how to deliver maximum benefit to the three authorities focussed on the defined short-listed models.

- b. Disadvantages – None identified at this stage, which is to verify the process undertaken to inform the OBC only. The programme is fully funded to August 2026.

46. Option B:

a. Advantages

- i. If there is strong appetite from Scrutiny to not proceed with the current short-list options and explore other options (due to identified weakness or gaps in the refined options

appraisal or consultation process) then there may be limited (timebound) opportunity to re-investigate and pursue alternative delivery models within the funding provided by DSNEZ.

b. Disadvantages

- i. Funder (DESNZ) and HM Treasury are content with the process taken and, as such, changes to this process would require further negotiation with funder and governance oversight. At this stage, it is difficult to determine whether there will be an appetite for changing the process.
- ii. Limited funded time remaining on the programme means any benefits of re-evaluating the process will likely not be at such depth as the existing process.
- iii. Currently, the process has been collaborative with all three authorities working together to explore options. A new option to explore would require negotiation about impact and implications with YNYCA and NYC, potentially adding delay, with no funding in place from August 2026.

Implications

Financial

- The cost of producing the OBC and developing the FBC has been coordinated by the York and North Yorkshire Combined Authority funded from government grants. As part of developing the business cases, funding has been provided to CYC to ensure staffing resource is available to support the work. There have therefore been no council funds utilised in undertaking this work.
- The proposed outcome of the work is to deliver additional carbon reduction schemes across private and public sector housing as well as council land and buildings. There will be financial implications that arise from that ambition and they will need to be considered when making future decisions. This will also need to take into account resourcing levels across delivery departments and support services required.

Human Resources (HR)

- No implications associated with the options appraisal process, but depending on the outcome of the FBC, there is the potential for current CYC staff to be reallocated to support on a regional scale

delivery structure. HR are engaged and advice is being sought throughout FBC process.

Equalities

- A Human Rights and Equality Assessment will be required as part of the decision-making process. The HREA should be included as part of, or sit alongside, the Full Business Case. The HREA will consider any positive or negative impacts on protected characteristics of the selected model prior to it being taken forward.

Legal

- Any ongoing work in relation to the LNZA FBC, including further definition of the phased approach set out in the LNZA OBC and, subject to any later Executive decisions, any future work to establish a shared service (including but not limited to drafting and negotiating any agreements and documents required to set up a delivery vehicle, and any necessary governance arrangements, contracts, licences, leases, and funding arrangements), will require further advice and input from officers in CYC Legal Services to ensure compliance with the relevant law.
- Given the scale and complexity of the project, however, and the limited capacity within CYC Legal Services, additional legal support will be required. Consideration will need to be given to whether any additional resource can be provided in-house or by procuring and appointing external legal advisers to support the work described above.

Crime and Disorder

- No known implications identified.

Information Technology (IT)

- No known implications identified.

Property

- Potential for increase in building decarbonisation project activity (development & delivery) across council domestic and corporate estate. Will require broad input from various asset management and Mechanical & Electrical teams.

- There is no commitment to incorporate CYC assets into the partnership at this stage.

Risk Management

Risk Category	Description of Risk
Strategic / Decision-Making Risk	The options assessed have different strengths and multiple delivery models could support the core objectives to some degree. By defining a model deemed most suitable across the three authorities, there is a risk that different delivery models could be more beneficial for CYC if they were assessed in isolation.
Delivery Risk	The short-listed delivery models may be difficult to implement due to complexity, capacity constraints, or governance challenges. There is also a risk that prioritising pace to meet deadlines reduces the robustness of the final solution. This will be further explored at FBC stage.
Financial Risk	Follow-on funding (e.g. Warm Homes Fund) is uncertain, which may affect delivery viability. There is also a risk that costs are underestimated or returns overestimated if assumptions/modelling are not fully considered. This will be further explored at FBC stage.
Stakeholder / Alignment Risk	Differences in appetite between authorities (e.g. risk, control, investment levels) may re-emerge later, potentially affecting alignment and long-term commitment. Reduced stakeholder buy-in may result if stakeholder engagement is perceived as insufficient. This will be further explored at FBC stage.
Governance and Legal Risk	Complex partnership structures (e.g. ROE, RIC, RIF) may introduce legal, governance, and compliance challenges that were not identified within the programme. There is also a risk of procurement or legal challenge if the process is later deemed insufficiently robust. This will be further explored at FBC stage.
Programme / Timeline Risk	There is limited time for FBC development may reduce the quality and completeness of the final business case.

	It is likely that additional work will be required, such as a detailed delivery plan.
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Recommendations

47. Recommendation: Scrutiny Committee is invited to consider the content of this report and provide comment and feedback for the Executive Member and YNYCA on the effectiveness and completeness of the outlined Options Appraisal process.

Reason: To inform the FBC prior to combined authority approval.

Reason: To ensure appropriate local authority oversight of the process set out in the LNZA programme.

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Background Papers:

All relevant background papers must be listed here.

- [York and North Yorkshire Strategy for a Sustainable Future](#)
- [York and North Yorkshire OBC Approval to Proceed – CA26-12](#)
- [CYC LNZA Funding acceptance decision](#)

Annexes

Annex A - LNZA SEP Detailed Options Appraisal Report.pdf

Annex B - Options Assessment Themes.pdf

Annex C - Strategic Objectives & Appraisal.pdf

Annex D - Appetite Appraisal Scoring.xlsx

Annex E - Dimensional Appraisal Scoring.pdf

Abbreviations

Abbreviation	Full Term
BAU	Business As Usual
BCL	Bristol City Leap
CSF	Critical Success Factor
CYC	City of York Council
DESNZ	Department of Energy Security and Net Zero

EV	Electric Vehicle
FBC	Full Business Case
GMCA	Greater Manchester Combined Authority
JV	Joint Venture
LAEP	Local Area Energy Plan
LNZA	Local Net Zero Accelerator
M&E	Mechanical and Electrical
NYC	North Yorkshire Council
OBC	Outline Business Case
RIC	Regional Infrastructure Company
RIF	Regional Investment Fund
ROE	Regional Operating Entity
SEP	Strategic Energy Partnership
SLA	Service Level Agreement
SMART	Specific Measurable Achievable Relevant Time-bound
SO	Strategic Objective
TUPE	Transfer of Undertakings (Protection of Employment)
VfM	Value for Money
WMCA	West Midlands Combined Authority
YNY	York and North Yorkshire
YNYCA	York and North Yorkshire Combined Authority