



COTN 2025: Net Zero Discussion Paper

This policy paper is intended to support discussion at Convention of the North 2025, which is taking place in Preston on the 27th and 28th of February. It is one of six policy papers; the full set includes Transport, Trade and Investment, Net Zero, Place and Culture, Innovation, and the cross-cutting theme of Skills and Healthy Work.

Proposals included within these drafts have been collectively developed by working groups consisting of local and combined authority officials and key Northern partners. **They represent a draft programme only; they will be taken in draft form for co-development and iteration at the Convention policy sessions, and confirmed by Northern leaders following the Convention.**

The North is already demonstrating visible policy leadership across diverse areas, from trade and investment collaboration to bus re-regulation, and pan-Northern programmes to grow the creative industries. In the run-up to the 2025 Convention of the North, it's clear that the region has a twin-track opportunity to help the new UK Government deliver against its objectives, based on the North's specific opportunities and challenges.

- The North can **deliver growth at scale** to support the national mission of increasing living standards across all regions of the UK.
- The North faces serious, long running challenges to unlocking the potential of its people, held back by poverty, inequality, and health challenges. By **investing in the North's people**, we can underpin and strengthen the activities of growth and improve the lives and lived experience of our residents.

To make the most of this opportunity, Northern leaders and mayors have agreed to prioritise resources and capacity in the areas where there is the greatest opportunity to add value to the ongoing work of Northern places, communities and businesses:

The North's draft delivery programme

Twin-track opportunity	Pan-Northern Delivery Priorities				
The North meeting the national Growth Mission	Trade and Investment	Transport	Net Zero	Culture and Place	Innovation
Meeting the inclusion challenge in the North	Skills and Healthy Work				


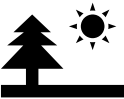
1. Our gamechanger proposition

Building on the Manifesto for the North, this paper sets out a draft work programme for Northern collaboration, case-making and partnership delivery. This is intended to form the basis of pan-Northern collaboration into the medium-term, continuing the priorities of each subsequent Convention of the North in the interim between each event with an active programme of policy development, collaboration and implementation.

This ongoing collaboration is the focus of the discussions at the Convention policy sessions: to address what the priorities for the North to deliver together.

Additionally, a small number of gamechanger propositions have emerged through a structured policy development process that reflects the North's long-term strategic ambitions. They build upon the foundations set by the Northern Powerhouse Independent Economic Review and the 2024 Manifesto for the North, aligning with the evolving institutional and policy landscape. These gamechangers have been shaped through collaboration between Northern leaders, local and combined authorities, and key stakeholders

While the gamechangers for the 2025 Convention intersect with multiple policy themes, those with particular relevance for the Net Zero theme are the **Clean Energy gamechanger** and the **Place, Cultural, and Natural assets gamechanger**:

	<p>Making the North a global leader in Clean Energy investment, by co-development of a Net Zero Trade and Investment Prospectus with Government, co-investment with GB Energy in key Northern energy opportunities, and building a Clean Energy market that works for Northern businesses and people by rolling out locational pricing.</p>
	<p>Investing in the North's Place, Cultural and Natural assets, by co-investment in the Place and Culture North Initiative, delivering the Investing in Nature for the North proposition, and supporting the jewel-in-the-crown One Creative North initiative.</p>

Net Zero is central to the North's long-term economic transformation, and the **Clean Energy gamechanger** will ensure the region maximises its strengths to lead the transition. By securing investment in renewable energy and emerging technologies, the North can build resilient supply chains, reduce costs for businesses, and create new opportunities in high-growth industries like hydrogen and advanced manufacturing. At the same time, reforms to energy pricing will enhance competitiveness and attract energy-intensive industries, reinforcing the North's position as the UK's clean energy powerhouse. These interventions align with the wider policy programme set out in this paper, driving investment, securing skilled jobs, and accelerating the transition to a low-carbon economy.



As part of the Place, Cultural, and Natural Assets gamechanger, the **Investing in Nature for the North initiative** can be a key driver in the North's Net Zero ambitions, recognising that nature recovery is not just an environmental goal but an economic and resilience imperative. Developed by the Nature North Partnership with input from an array of stakeholders, the initiative provides a clear, actionable pathway to scaling up investment in natural capital. By restoring peatlands, expanding forests, and enhancing coastal ecosystems, the North can accelerate carbon sequestration, strengthen climate resilience, and unlock new opportunities in green finance and conservation employment. With the right investment, Investing in Nature for the North will position the region as a leader in nature-led climate action while reinforcing the case for a net zero transition that delivers economic growth, environmental sustainability, and improved quality of life. Embedding this initiative within the pan-Northern delivery programme ensures that nature recovery is recognised as a strategic asset, central to securing investment and policy support for the North's long-term transformation.

2. Why Net Zero?

Net Zero is a long-standing Northern policy priority, and one of the four policy themes highlighted in the 2024 Manifesto for the North. It is also one of the new government's five central 'missions', recognising that increasing our clean energy supply is critical to decarbonising the UK economy and ensuring the nation's energy security.

The North is crucial to this. It generates 40% of the country's electricity and half of England's renewable energy, while also accounting for 36% of low-carbon jobs. Flagship projects like The Great North Bog and The Northern Forest highlight the region's leadership in implementing large-scale, nature-based solutions.

In terms of research and development, the North is home to premier centres such as the Materials Processing Institute and the National Renewable Energy Centre. These institutions are poised to catalyse future industries in clean energy, digital technology, and advanced manufacturing. Their efforts are expected to drive economic regeneration and open new export opportunities.

The North's opportunities in net zero

The North will play a pivotal role in achieving the UK's net zero ambitions, building on its unique strengths and abundant natural assets. The region's natural landscape provides a distinctive advantage, with its geography ideally suited for harnessing large-scale renewable energy. The North is home to some of the UK's most significant opportunities for onshore and offshore wind energy, hydropower from its rivers and reservoirs, and emerging technologies like tidal power. These resources position the North as a critical hub for clean energy production, capable of meeting both regional and national energy needs.

The North's natural environment already absorbs approximately 800,000 net tonnes of CO₂ annually, and its potential to expand this capacity is immense. Through strategic investments in nature-based solutions, such as peatland restoration, afforestation, and regenerative agricultural practices, the region can significantly increase carbon sequestration. This dual focus on energy generation and carbon absorption highlights the North's essential role in delivering the UK's net zero commitments while fostering a more sustainable and resilient environment.

The North is also responding innovatively to its unique decarbonisation challenge, with three of the six largest-emitting industrial clusters located here. Through UKRI's Industrial Decarbonisation Challenge, public and private sector partners across these clusters have worked together to design the infrastructure required for decarbonisation and developed plans to reach net zero.

The North is now leading the way to implement these plans, as evidenced by the Prime Minister, Chancellor and Energy Secretary jointly visiting Ellesmere Port to announce £22bn of investment in carbon capture and storage projects to support decarbonisation of industrial clusters in Cheshire and Teesside. These projects are expected to leverage over £8bn of private investment and support over 50,000 highly skilled jobs. They will deliver world-class low-carbon infrastructure to enable businesses across the region to decarbonise their operations. As well as safeguarding, renewing and expanding our manufacturing sector, this will generate expertise in the North that can be exported across the world.

Successfully leveraging the North's existing strengths and energy infrastructure to address this challenge represents a transformative opportunity to attract sustained green investment. Analysis commissioned by Northern Powerhouse Partnership shows that at least £2.65 of private sector investment can be leveraged for every £1 of public investment. This would also help to retain and grow highly productive industries in the North and sustain existing jobs in a climate-positive way, rather than risk losing the jobs overseas and exporting the decarbonisation problem. This, in turn, could play a vital role in rebalancing economic activity across the UK while creating new avenues for exporting green technologies and expertise to global markets, positioning the North as a leader in sustainable development.

The North's challenges in net zero

The North faces several significant challenges that must be addressed to realise its net zero ambitions and unlock its potential as a leader in the green transition. As mentioned, decarbonising the North's major industrial clusters – including Teesside, Humberside, and Merseyside – is one of the region's most pressing issues, with significant challenges extending to the wider industrial base as a whole. Transitioning energy intensive industries while maintaining competitiveness requires a holistic approach to industrial processes and supply chains, and solutions which reflect each area and industry's unique circumstances. The lack of developed project pipelines and a £27bn green finance gap hinder efforts to attract the necessary investment for large-scale low-carbon initiatives.

Another critical challenge is the significant funding shortfall the North faces, with a £27bn green finance gap projected over the next decade to meet nature and net zero targets. Unlocking private capital will require innovative financing mechanisms, better alignment of public funding, and stronger partnerships with institutional investors. The 3Ci partnership is an example of an attempt to address this, bringing together the Connected Places Catapult, Core Cities and Key Cities amongst others to secure long-term finance for net zero.

Grid infrastructure limitations pose a major barrier, delaying the connection of renewable energy projects and hindering the electrification of transport. These constraints discourage investment and create bottlenecks that slow the deployment of clean energy. Enhanced regional energy planning, aligned with Local Area Energy Plans, is crucial to prioritise infrastructure upgrades and enable the deployment of cleaner energy.

Achieving net zero requires addressing labour shortages and upskilling in key sectors like renewable energy, housing and transport. Capacity constraints in nature recovery and low-carbon sectors also limit progress. It also requires ensuring that businesses in high-carbon industries and their supply chains are able to pivot to low-carbon technologies, retaining their skills and expertise in the green economy. Ensuring the development of Northern supply chains and a skilled workforce is key to ensuring this, as well as creating future opportunities across the value chain.

3. Delivering policy change in the North

With a new parliament, the national policy landscape is rapidly evolving, while Northern places are already leading delivery, policy innovation and investment. This will have substantial implications for pan-Northern delivery. Some of the most relevant examples are highlighted below.

The 'clean energy' mission

Since the last Convention, the national policy landscape has seen notable shifts with important implications for policy development in the North. The new Government has centred net zero in its approach, embedding the vision of the UK as a 'clean energy superpower' as one of their five key missions. With its existing strengths in renewable energy, the establishment of Great British Energy and its sister company Great British Nuclear offers the North an opportunity to solidify its role as a leader in the clean energy transition, driving innovation, investment, and job creation while contributing significantly to the UK's net zero ambitions.

In December 2024 the Prime Minister reaffirmed the Government's commitment to put the country on track for at least 95% of energy being generated by clean sources by 2030. The Clean Power 2030 plan sets out how the government intends to work with the energy sector, trade unions, investors and policymakers to achieve this goal. Achieving this requires investment in a range of technologies to deliver secure and affordable energy, including technologies in which the North is already a lead or well positioned to lead such as nuclear and small modular reactors, hydrogen, wind, solar and tidal, as well as around sustainable aviation fuels (SAF).

Alongside this, the Prime Minister also announced plans to 'fast-track' 150 major infrastructure projects. Given the 'clean energy' mission, it is likely that a significant number of these projects will be net zero-related.

Invest 2035: Industrial Strategy Green Paper

This emphasis on net zero has been further reinforced by the publication of the Industrial Strategy Green Paper, which underscored national priorities in key growth-driving sectors. Of these sectors clean energy, advanced manufacturing, and digital tech are of direct relevance to net zero. The sectors identified align with the North's prime capabilities in advanced manufacturing, energy, health innovation and digital, as identified in the Northern Powerhouse Independent Economic Review (NPIER). This alignment offers clear pathways for regional investment and growth in net zero associated sectors.

To facilitate this transition, the newly created National Wealth Fund, based in Leeds, has been tasked with catalysing more private investment into investible projects across the UK. At least £5.8 billion of the NWF's capital will focus on sectors which contribute to decarbonisation: green hydrogen, carbon capture, ports, gigafactories and green steel.

Planning policy changes

Several changes in planning policy also have the potential to accelerate the delivery of net zero-related projects. The new government has lifted the de facto ban on onshore wind farms, with projects in this space already coming forward – the first of which is planned to be in Greater Manchester. There are also plans to simplify processes for major green projects and speed up approvals for renewable energy and grid infrastructure.

The reinstatement of local authority housebuilding targets, along with a commitment to build 1.5 million homes in this Parliament, could also pave the way for a radical uplift in the delivery of new low-carbon housing.

The Planning and Infrastructure Bill, meanwhile, will move environmental obligations away from individual project mitigation and establish a strategic nature restoration fund. This presents an opportunity to recognise nature as critical infrastructure and ensure it receives investment alongside other aspects of the net zero transition, recognising its key role in providing climate resilience and water resource needs to our net zero infrastructure.

4. Alignment with other pan-Northern policy themes

We can't see policy priorities in isolation, and there are strong links and inter-dependencies between each theme. There are opportunities to explore connections and crossovers that enhance outcomes across multiple agendas. Recognising these links ensures a more comprehensive approach to addressing the North's challenges and opportunities:

Net Zero and Trade and Investment:

This paper includes specific priorities around increasing the level of public and private investment to support the net zero transition. There is therefore a strong and direct link to the Trade and Investment policy area, which includes developing an investor-focused Net Zero proposition. By pioneering new technologies, the North can establish a globally competitive supply chain in net zero technologies, not only providing the North with a competitive edge to achieve net zero but also drive exports in tradeable services and technologies.

Net Zero and Place and Culture:

Leveraging the North's substantial natural assets, such as The Great North Bog and The Northern Forest, provides critical opportunities for nature-based solutions to support both net zero and regional identity. By investing in green and blue infrastructure, the North can enhance resilience to climate change, attract tourism, and stimulate local economies, while promoting a sense of cultural belonging and environmental stewardship. The culture sector itself is also exploring how to decarbonise, through examples such as Destination North East's Regenerative Visitor Economy Framework.

Net Zero and Transport:

Transport investment is a well-established enabler for unlocking the North's productivity and growth potential, including in sectors such as clean industries. As one of the highest carbon-emitting sectors, transport also has a key role to play in achieving net zero through decarbonisation of the transport network and shift to more sustainable active travel and public transport modes. Transport infrastructure upgrades such as the TransPennine Route Upgrade and delivery of Northern Powerhouse Rail are central to realising the North's ambitions to reduce emissions, increase investment and unlock increased job opportunities.

Net Zero and Skills and Healthy Work

In addition to the five key themes for the 2025 Convention, Skills and Healthy Work has been incorporated as a cross-cutting and enabling theme across all policy areas. This reflects the importance of fostering Northern cooperation on skills, health, and social policy to support sustainable and inclusive economic growth. By embedding these considerations into each policy area, the Convention aims to create a holistic framework for driving transformative change in the North.

The integration of Skills and Healthy Work with Net Zero manifests in several key ways across the North:

- To meet net zero targets, significant investment in skills development is essential, particularly to transition the existing workforce in high-carbon sectors toward green jobs. Addressing this skills gap will unlock opportunities in renewable energy, low-carbon manufacturing, and other emerging sectors where the North already has strong foundations. This transition not only supports the net zero agenda but also promotes sustainable and inclusive economic growth by creating high-quality jobs and fostering long-term economic resilience. Cheshire's inclusion as one of four 'key growth regions' to pilot approaches to help workers transition to green jobs reflects the scale of the opportunity.
- Research by Nature North highlights that investment in nature recovery and green infrastructure leads to improved public health outcomes, including reductions in respiratory diseases, cardiovascular conditions, and mental health issues. Expanding access to green spaces, restoring peatlands, and enhancing urban tree cover contribute to cleaner air, reduced flood risk, and increased physical activity, helping to lower NHS costs and reduce sickness-related absences.

Decarbonising homes and workplaces can improve health outcomes by creating warmer, healthier, living and working environments while reducing energy costs and emissions. Shifting to cleaner heating and energy systems, improving building efficiency, and integrating greener design principles can help tackle fuel poverty, lower respiratory and cardiovascular health risks, and enhance overall wellbeing.

5. Developing a pan-Northern policy programme

The Net Zero theme for the Convention focuses on the critical role the North can play in advancing the UK's transition to a sustainable and low-carbon economy. The region's natural and industrial assets, along with its innovation capabilities, position it as a leader in delivering solutions to the climate crisis. At the same time, the North faces distinct challenges, such as an ageing housing stock, car-dependent transport systems, and emissions-intensive industries. By building on its existing strengths and fostering collaboration across local authorities, businesses, and research institutions, the North has the potential to drive forward decarbonisation, promote sustainable economic growth, and address regional inequalities.

The headline policy priorities listed are from the Manifesto of the North.

Policy Priority 1: Developing Northern Emerging Opportunities for Low-Carbon Energy Generation

The North and Government should collaborate to harness the region's emerging opportunities to generate energy from renewable sources, providing dedicated revenue support to build a globally competitive pipeline of investable projects which span the North's administrative boundaries.

Proposal 1a: Collaborate to Enable Investment at Scale

Building on previous work, Northern partners should continue to identify opportunities to develop packages of interventions and investments which, when delivered at scale, deliver greater strategic benefit and stronger commercial return than when acting in isolation. This could include developing technology-specific investment packages – for example, around Hydrogen, Nuclear, SAF, or CCUS – cross-boundary infrastructure investments, and enabling investment in low/zero carbon housing and retrofit at scale and nature-based solutions. The North also has opportunities to lead on the engineered removal of CO₂, deploying technologies such as BioEnergy with CCS. Net Zero Hubs, Combined Authorities and Local Authorities all have a role to play in this alongside the private sector. Greater Manchester's Net Zero Accelerator is an example of how a pipeline of net zero projects is being developed, with £12bn of public investment unlocking £52bn of private investment.

Proposal 1b: Develop a Net Zero Investment Prospectus

Aligning with the recommendations of the Trade and Investment workstream and building on existing pan-Northern collaboration on trade and investment, a Net Zero Investment Prospectus will promote local and regional investment opportunities to global investors. By leveraging the scale of the North and the increased profile and collaboration that arises from mayoral devolution, the North can increase its profile and potential as a destination for investment in net zero projects, as evidenced by international investment in the Great North Bog which demonstrates the potential to invest in nature at scale. This should also leverage our existing assets, including ports, Freeports and Investment Zones, and natural capital as mechanisms to attract investment.

Proposal 1c: Leverage Spatial Planning's Role in Delivering Net Zero

Northern partners should work to embed principles of sustainable development into local strategies. Co-location of essential services such as schools, healthcare, and retail can reduce dependency on cars, lowering transport emissions and supporting more liveable communities. Planning policies must require walkability, access to public transport, and green housing and infrastructure to align with net zero ambitions. The English Devolution White Paper and Planning & Infrastructure Bill also give devolved areas greater influence over spatial development and Local Nature Recovery Strategies, providing an opportunity to increase the role planning can play in supporting climate resilience.

Proposal 1d: Scale Up Heat Networks

Heat networks offer a sustainable solution for heating communities where heat demand density aligns. The North has led the way on leveraging mine water for district heating in places such as Gateshead and has the opportunity to do the same in extracting geothermal energy from former mining sites. Mapping opportunities for utilising waste heat from industrial processes or data centres can create efficient district heating systems. This approach requires collaboration across local authorities, businesses, and energy companies to identify and implement viable projects at scale.

Policy Priority 2: Tackling Energy Grid Constraints Through Regional Planning

Addressing grid limitations through regional planning is crucial for economic growth and energy security. Proposals include developing Local Area Energy Plans and aligning resources to support the infrastructure needs of the North's energy initiatives. Through such initiatives, we can position the North as a net exporter of green energy and leverage our strengths in this space to attract new industry to the North.

Proposal 2a: Expand the Rollout of Local Area Energy Plans to Cover the Whole of the North

Local Area Energy Plans (LAEPs) play a crucial and growing role in developing evidence-based, cost-effective local plans for delivering the transition to clean energy. The North has been at the forefront of this, with plans already in place in Greater Manchester and York and North Yorkshire. However, there is much to do before all parts of the North are at the same stage. There is scope for Net Zero Hubs to act as facilitators and drivers of best practice to support the ambition for full adoption of LAEPs or similar approaches to energy planning across the North.

Proposal 2b: Develop a Coordinated Approach to Local and Regional Energy Infrastructure Through Regional Energy Strategic Plans

Regional Energy Strategic Plans (RESPs) present an opportunity for partners in local authorities, combined authorities, and other regional institutions to develop more place-based approaches to ensuring energy infrastructure meets current and future demand. This is a key opportunity for the North, where has the lowest levels of carbon intensity from energy generation in the UK. With an increased focus on the importance of secure access to low-carbon energy for energy intensive industries such as data centres, the North has an opportunity to further develop its low-carbon grid and leverage this to attract investment.

To fully realise this opportunity, access to reliable, consistent data on energy consumption and distribution is vital. We will work across the North and with national partners to push for a consistent methodology for assessing demand and consistent access to data to ensure all parts of the North can make informed contributions to the RESP process.

Proposal 2c: Work with Government to Drive Grid Improvements and Reduce Delays in Connections

Linked to the above, and recognising RESPs reflect political, rather than network boundaries, it is also important for Northern partners to collaborate in develop regional asks of the transmission and distribution networks. This will require close collaboration with Distribution System Operators (DSOs) to ensure that plans for grid development are based on accurate plans, data and projections. Northern partners will also work closely with national government and other partners to deliver on the Government's commitment in the Autumn Budget to accelerate grid connections and new infrastructure. There is also potential to share data on the scale of this challenge across the North to develop co-ordinated asks and solutions.

Policy Priority 3: Leveraging Natural Capital to Support Climate Resilience and Decarbonisation

The North has a key opportunity to lead in sustainable development through initiatives like Nature North, attracting international investment in natural capital and nature-based solutions. To support this, the government should work with the North to streamline policies, optimise public funding for collaborative projects that leverage private investment, and build capacity through green skills and job training.

Proposal 3a: Develop Early-Stage Investment Routes

Natural capital projects often struggle to secure funding at the early stages due to perceived risks. Establishing mechanisms to fund early-stage investment and business case development can help demonstrate viability and derisk investment, building on approaches such as the Revenue Certainty Mechanisms which have proved successful in wind and solar industries. This in turn will serve to unlock greater private sector investment, accelerating the transition to sustainable land use and conservation practices.

Proposal 3b: Build Place-Based Carbon Markets

Carbon markets tailored to regional strengths can incentivise emissions reductions and create new revenue streams for local communities. For example, woodland creation, peatland restoration, or renewable energy projects could be supported through localised schemes. The North East's planned Carbon and Nature Marketplace, due to launch in March 2025, provides a blueprint for expanding these initiatives across the North, whilst similar approaches have been applied successfully at a regional level, for example in relation to the Great North Bog. By collaborating at different scales we can increase visibility, amplify and support our investment opportunities.

Proposal 3c: Recognise Water and Nature as Climate Resilience and Decarbonisation

Assets

Nature plays a pivotal role in climate resilience, from managing flood risks to supporting future resource needs and the climate resilience of net zero investment assets. The Greater Manchester Integrated Water Management Plan created the first partnership aimed at progressively improving sustainable water management, enhancing the natural environment and ensuring future developments are climate and flood resilient. Approaches such as these can reduce vulnerability to climate change impacts and enable industrial clusters to decarbonise while unlocking economic benefits. At a regional level, Nature North's Green Northern Connections proposition demonstrates how nature-based solutions focused on nationally significant infrastructure can enhance the resilience of the North's Industrial Clusters.

Proposal 3d: Share Best Practices Across Regions

Developing a robust network for knowledge sharing can help Northern communities learn from each other's successes and challenges in implementing natural capital initiatives. This could include hosting regional workshops, creating online repositories of case studies, and facilitating mentoring between local authorities. Such mechanisms can ensure innovations are scaled efficiently and equitably.

Annex: Draft Net Zero delivery programme

As part of the focus on delivery for COTN 2025, the policy programme is designed to focus on activities that the North can deliver in partnership between places, with Government, and with the private sector, Northern institutions and our communities, as outlined below:

Pan-Northern and Intra-Northern collaboration	Greater devolution to Northern Places	Business, investment and institutional activity
<p>1b: Develop a Net Zero Investment Prospectus and product</p> <p>1a: Identify opportunities to develop packages of interventions and investments</p> <p>1d: Mapping opportunities for utilising waste heat</p> <p>2a: Expand the rollout of Local Area Energy Action Plans to cover the whole of the North</p> <p>3d: Develop mechanisms for sharing best practice and learning.</p>	<p>1c: Leverage spatial planning's role in delivering net zero.</p> <p>1c: Embed principles of sustainable development into local strategies.</p> <p>2a: Expand the rollout of Local Area Energy Action Plans to cover the whole of the North</p> <p>3b: Build place-based carbon markets</p>	<p>1d: Scale-up heat networks</p> <p>2c: Work with Government to drive grid improvements and reduce delays in connections</p> <p>3a: Establish mechanisms to fund early-stage investment and business case</p> <p>3c: Recognise water and nature as climate resilience assets</p>