

Evaluation of the Local Industrial Decarbonisation Plans Competition (LIDP)

Evaluation Report

Acknowledgements

The research team would like to thank the interview and survey participants during the fieldwork phase of this project for their time and valuable insights.

Views expressed in this report are those of the researcher and not necessarily those of the UK Government.



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Contents

Executive Summary	5
Policy Overview	5
Key findings from Evaluation	5
Finding 1: The LIDP broadly met its objectives	6
Finding 2: The LIDP helped address coordination and collaboration barriers but could not overcome larger systemic barriers	6
Finding 3: Further funding challenges were the main barrier to plans progress	6
Finding 4: Experience of the application process and programme design was mixed	6
Finding 5: Strong additionality, but sustainability after programme end remains challenging	7
Finding 6: The Theory of Change broadly holds true, but medium to long term outcomes are uncertain	7
Glossary	8
Introduction	9
Background and Objectives of LIDP	9
Roles in LIDP	11
Evaluation Aims	12
Research Methodology	13
Limitations	17
Evaluation	18
Evidence suggests that the LIDP broadly met its main objectives	18
The LIDP addressed barriers to cluster decarbonisation increasing knowledge and overcoming collaboration barriers	24
The engagement phase was widely viewed as a valuable and important component of the LIDP	27
The LIDP was unable to address larger barriers such as infrastructure and technology constraints impacting plan progression, however these weren't core LIDP objectives	29
Funding was the main barrier cited to decarbonisation and the plans further progressing towards implementation	30
The design of the LIDP enabled projects to deliver individual plans and be successfully aligned with LIDP objectives	31

Experiences of the application process and support provided were mixed _____	33
The monitoring process was experienced differently across projects _____	37
Technical advisor support was valued by those who used it _____	38
Consultants were often used instead of Technical Advisors _____	39
Views of Innovate UK's role in supporting delivery of the LIDP were broadly positive. __	40
There was strong additionality that the creation of clusters and progress made would not have occurred in the absence of LIDP _____	41
The future of LIDP projects remain uncertain _____	44
Overall, evidence suggests that the LIDP was unable to create self-sustaining clusters	48
Theory of change assessment _____	50
Lessons Learnt _____	52
Lesson 1: Design accessible, proportionate and well-supported application processes _	52
Lesson 2: Retain and strengthen early engagement phases and ongoing support models _____	52
Lesson 3: Embed knowledge sharing and collaboration as core delivery mechanisms _	52
Lesson 4: Align programme design with realistic timelines, governance and delivery structures _____	52
Lesson 5: Provide clear pathways beyond planning and address wider system barriers	53
Conclusion _____	54

Executive Summary

Policy Overview

The Local Industrial Decarbonisation Plan (LIDP) competition, ran by government in partnership with Innovate UK, provided £6 million in grant funding to support dispersed industrial manufacturers not located within the UK's existing industrial clusters to decarbonise and reduce their emissions in the long term through the creation of pathways towards decarbonisation¹. The competition aimed to address a recognised policy gap for these manufacturers who can face specific barriers to decarbonisation and have historically had less access to place-based industrial decarbonisation support due to their dispersed nature.

The competitive grant funding supported the advancement of place-based decarbonisation plans that demonstrated collaboration between closely located industrial businesses and other stakeholders such as local authorities, academic institutions and network operators. LIDP sought to encourage coordinated approaches to decarbonisation outside of the seven main industrial clusters² supporting strategic planning, evidence building and alignment across local industrial actors.

The LIDP competition window was open from 5 June to 2 August 2023. Thirteen projects³ were successful in securing a portion of grant funding available. Projects commenced work in January 2024 with final reports produced by March 2025. These reports set out strategic, place-based decarbonisation pathways, investment requirements and delivery considerations, alongside identified project pipelines, infrastructure needs and stakeholder arrangements. The reports informed participating organisations' ongoing decarbonisation activities and to provide an evidence base for future policy development and investment decision making⁴.

Key findings from Evaluation

This evaluation was undertaken as a proportionate, in-house assessment of the LIDP, focusing primarily on process such as programme design and delivery, with some consideration of early outcomes and potential impacts. Given the early-stage nature of LIDP implementation and limitations in available data, more in-depth impact methods (such as a full contribution analysis) were considered, but judged not proportionate or appropriate. The evaluation was conducted in line with internal quality assurance standards and drew on both qualitative and quantitative evidence, including stakeholder interviews and survey data. Findings were systematically triangulated across methods to strengthen confidence and identify areas of consistency and divergence, pulling out the key themes. While the evaluation does not provide

¹ [Local Industrial Decarbonisation Plans competition: winning projects - GOV.UK](#)

² Grangemouth, Teesside, Humberside, Merseyside, South Wales, Southampton, Black Country

³ [Local Industrial Decarbonisation Plans competition: winning projects - GOV.UK](#)

⁴ [Industrial Decarbonisation: Local Industrial Decarbonisation Plans - Innovate UK Business Connect](#)

a definitive assessment of long-term impacts, it delivers robust, decision-relevant evidence on implementation, early outcomes, and lessons to inform future policy development and evaluation.

This report summarises findings from the in-house evaluation conducted in 2025–26. The evaluation drew on a mixed-methods approach, including a survey of project partners, interviews with project leads, Technical Advisors, Monitoring Officers and delivery partners, and a focus group with policy and delivery teams. Analysis triangulated quantitative and qualitative themes and utilised a thematic analysis and descriptive statistics approach. Findings are structured around the key process and early outcome themes and the core research questions of the evaluation.

Finding 1: The LIDP broadly met its objectives

The evaluation found that the LIDP broadly met its intended objectives. In particular, the programme supported dispersed clusters to develop more advanced and coordinated plans for industrial decarbonisation, strengthened local capability and understanding, and enabled stakeholders to progress work that would not otherwise have taken place. While progress varied across clusters, most respondents reported that the LIDP added value in advancing strategic thinking and preparedness for future decarbonisation activity.

Finding 2: The LIDP helped address coordination and collaboration barriers but could not overcome larger systemic barriers

The LIDP was effective in addressing local barriers related to plan coordination, collaboration and engagement across cluster landscapes. The programme provided time and resource for organisations to work together, align priorities and develop shared plans. However, it was less able to address wider systemic barriers, particularly those relating to infrastructure constraints, technology readiness and external dependencies, which were largely out of the LIDPs scope and control.

Finding 3: Further funding challenges were the main barrier to plans progress

A lack of follow-on funding (both private and public) was consistently identified as the main barrier to plans' implementation of plans beyond the scheme period. While the programme enabled clusters to develop credible plans, many stakeholders reported that uncertainty over future funding limited their ability to move from planning to delivery. This was particularly challenging for projects requiring significant capital investment or long-term commitment.

Finding 4: Experience of the application process and programme design was mixed

Stakeholders reported mixed experiences of the application process and overall programme design. Some found the process proportionate and well targeted, whilst others highlighted challenges relating to timescale, a perceived burden on process and clarity of requirements. Views also differed on the flexibility of the programme, with some stakeholders valuing adaptability and others seeking greater certainty and consistency.

Finding 5: Strong additionality, but sustainability after programme end remains challenging

The evaluation found consistent evidence from stakeholders that progress made by clusters would not have occurred in the absence of the scheme. In many cases, activity supported through the LIDP would not have happened, or would have been significantly delayed or reduced in scope, without the programme. Collaboration and knowledge sharing would have been less likely to consistently occur in LIDPs absence, and many participants reported how the LIDP has improved their knowledge and skills around decarbonisation. However, since the programme ended, many projects have struggled to self-sustain and implement plans. For several clusters, the future of planned activity remains uncertain without further support.

Finding 6: The Theory of Change broadly holds true, but medium to long term outcomes are uncertain

Evidence suggests that the LIDP Theory of Change broadly holds in the short term with planned outputs and early outcomes largely achieved. However, there is greater uncertainty around medium to longer term outcomes, particularly where clusters have not secured additional funding or support. Continued progress is mostly dependent on the wider policy and funding landscape.

Glossary

The following abbreviations are used throughout this report.

Abbreviation	Definition
BEAS	Business Energy Advice Service
CAPEX	Capital Expenditure
CCUS	Carbon Capture, Utilisation and Storage
DESNZ	Department for Energy Security and Net Zero
FEED	Front End Engineering Design
GSR	Government Social Research
IDC	Industrial Decarbonisation Challenge
IETF	Industrial Energy Transformation Fund
IUK	Innovate UK
LA	Local Authority
M&E	Monitoring and Evaluation
MSPs	Monitoring Service Provider(s)
NN2NZ	North Northamptonshire Net Zero
SME	Small and Medium-sized Enterprise
SR	Spending Review
TA	Technical Advisor
ToC	Theory of Change
UK ETS	UK Emissions Trading Scheme
UKRI	UK Research and Innovation
VfM	Value for Money

Introduction

Background and Objectives of LIDP

The LIDP provides support for industrial manufacturers, not located within the UK's existing industrial clusters, to develop plans to reduce their emissions in the long term and decarbonise. The competitive grant funding aimed to support the advancement of place-based industrial decarbonisation plans. This involved collaboration between closely located industrial businesses and other stakeholders, as well as upskilling their capabilities ahead of introducing low emission technologies.

The objectives of the programme were:

- 1. To support the development of credible, context sensitive, strategic plans for decarbonising local industrial clusters**
- 2. To increase organisational collaboration**
- 3. To strengthen decarbonisation planning skills, capacity and capability in local industrial clusters**
- 4. To gather evidence to inform decarbonisation of other local industrial clusters and dispersed sites**

LIDP provided competitive grant funding via Innovate UK who were involved in competition design and overall management of the programme as well as being responsible for monitoring the projects and delivering the grants to local partnerships known as consortia. These typically included industrial businesses, local or combined authorities, network operators, universities or research organisations and other local stakeholders. Grant funding of between £75,000 and £800,000 was available per plan to reflect the range of needs across clusters. Technical assistance was provided to applicants during the engagement phase and during the competition phase following the award of funding. Technical assistance aimed to be a key mechanism within the fund for achieving programme objectives around building expertise within local cluster organisations. The engagement phase was an early-stage programme component which took place prior to and at the start of the competition window, comprising of events and communications delivered through early fund announcement, briefing sessions and collaboration-building workshops in the run-up to the competition. It was designed to support the understanding of the scheme, facilitate networking and encourage knowledge sharing among potential applicants. The engagement phase was the main lever which enabled collaboration to occur within and between clusters.

There was considerable variation in terms of the nature of the clusters, the number and type of projects and in the approaches taken in their projects. This was a deliberate design choice of the scheme as flexible eligibility criteria were set so variation was to be expected and is further discussed in the design sections of the findings. Some clusters involved were small industrial estates, whilst some covered regions, sectors, cities or ports. Projects did not solely focus on industrial emissions but also explored synergies with other non-industrial sectors.

Projects were expected to produce plans that covered, amongst other things:

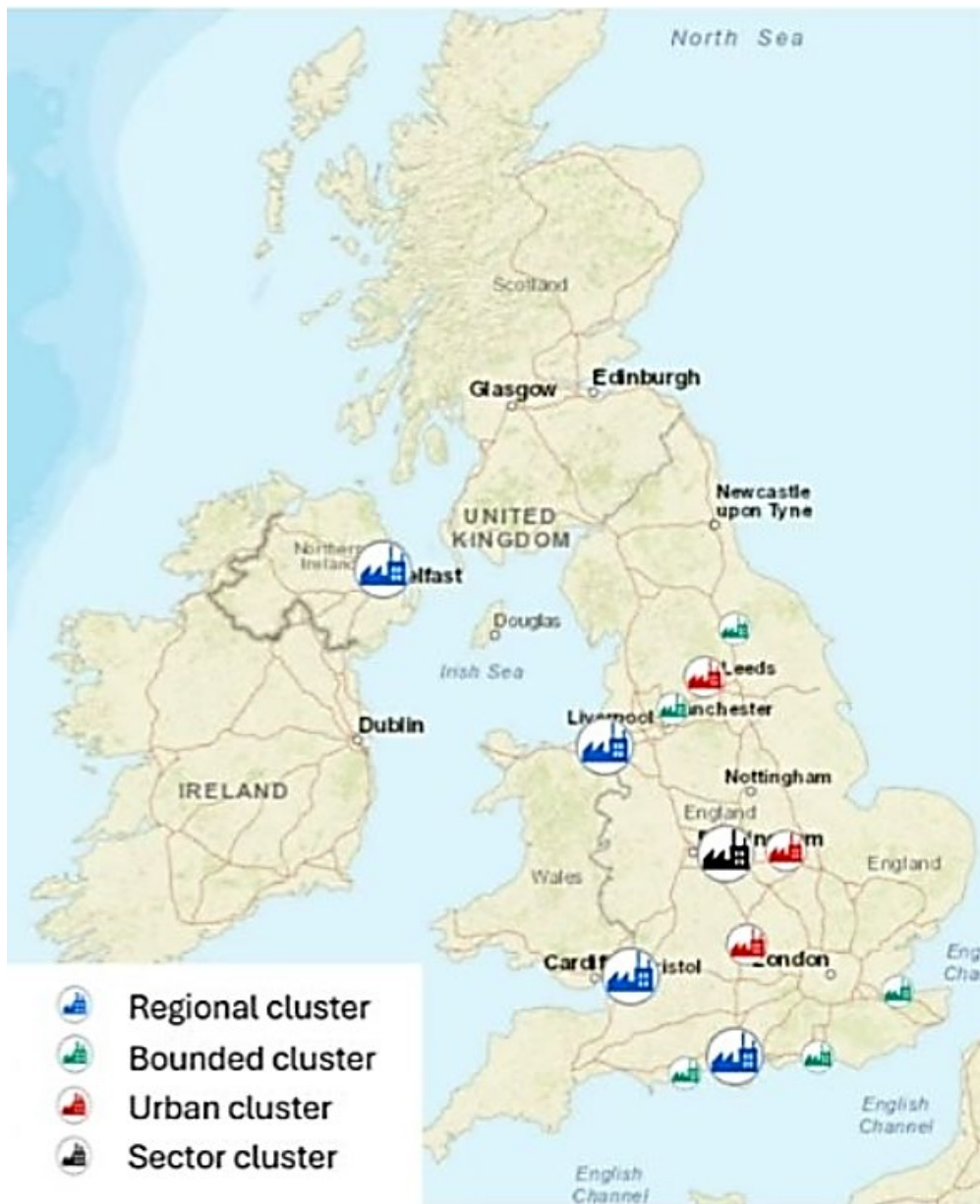
- Develop a strong understanding of current emissions data and developing pathways to meet Net Zero by 2050
- Identify key industrial decarbonisation project options (common infrastructure and site specific) required to achieve carbon abatement in the cluster
- Identify barriers and enablers, costs and benefits
- Produce an exploitation plan and a dissemination plan

A range of projects covering different technologies and of different geographic sizes were accepted but competition bids were not accepted if they only covered single sites, engineering/FEED studies, had no synergies with the industrial sector or covered locations which received support under Industrial Decarbonisation Challenge (IDC) cluster plans – although plans were allowed to explain how they would connect with those clusters and exploit synergies.

The rationale for market intervention was that dispersed sites often face a range of barriers that limit their ability to decarbonise without intervention. Uncertainty over when enabling infrastructure such as low-carbon hydrogen networks and CCUS will become available created information barriers which discourage investment and led to planning paralysis as individual firms were unable to plan confidently in isolation. Cost barriers further constrain action to decarbonisation as many dispersed sites include SMEs with limited capital and weak incentives to adopt more expensive low-carbon production methods reflecting the unintended costs around emissions and the fact that many smaller industries don't come under the UK ETS. In addition, firms often lack the technical expertise, the resource requirements and practical evidence needed to identify the best decarbonisation pathways, particularly given that there was a limited availability of demonstrated examples relevant to dispersed sites. Collaboration across a cluster and the need for collective action was also an existing barrier as funding which would only target existing sites would still face challenge due to the need for offsite infrastructure which the LIDP helps address.

As a result, the LIDP programme was set up to tackle these issues through joint local planning, bringing groups together to coordinate infrastructure beyond what a single site could do, achieve economies of scale to reduce decarbonisation unit costs, offer expert support and share lessons learnt to help other areas follow suit and plan their route to decarbonisation.

A list of clusters which took part, specific grant amounts and project detail can be found in Annex A of the report.



Location and type of LIDP projects

Figure 1: Location and Cluster Types⁵

Roles in LIDP

- **Policy Team:** DESNZ policy team set the overall strategic objectives and policy intent for the LIDP, ensuring alignment with wider industrial decarbonisation priorities and provided the funding for the programme.
- **Innovate UK (IUK/UKRI):** The delivery partners of the programme who were responsible for operational delivery of the scheme including application management,

⁵ Rattle, I. & Taylor, P.G (2026) *Decarbonisation from the ground up: what Local Industrial Decarbonisation Plans reveal about place-based approaches to decarbonising industry in the UK*. Climate Policy. <https://doi.org/10.1080/14693062.2026.2685655>

assessment, contracting and grant administration. They provided day to day programme management, monitoring processes and support to funded projects.

- **Project Leads:** Responsible for coordinating delivery at the local/cluster level and acted as primary point of contact with the delivery partner. They oversaw stakeholder engagement and led the development and integration of the plan, coordinating the application, signing up other organisations and ensuring the competition T&Cs were met by all partners.
- **Project Partners:** Received the grants, contributed local, sectoral and operational expertise to support the development of the LIDP and formed the local consortia. They ranged from industrial businesses (SMEs to large multinationals), local and combined authorities, academic institutions and research organisations, infrastructure and network organisations as well as third sector parties.
- **Technical Advisors:** Provided technical advice to projects and were supplied by IUK. They were available on request of the projects and free to use.
- **Monitoring Service Provider (MSP):** Responsible for providing monitoring and assurance support, including periodic reviews of project progress and compliance with delivery requirements. They were managed by IUK and were compulsory for projects to utilise.
- **Project Participants:** Organisations and stakeholders that were engaged in LIDP activity but were not formal project partners or grant-holders within the funded consortium. They supported wider engagement activities and buy-in across the local industrial landscape. These participants were chosen and reached out to by the projects rather than DESNZ or IUK. Project Participants were not surveyed or interviewed as part of the evaluation due to challenges reaching the sample which is set out in the limitations section of the report.

Evaluation Aims

The evaluation aimed to determine how well the LIDP had met its objectives, understand if the delivery was a success and had impact, as well as to provide lessons learnt for future policy design and implementation.

The research questions it aimed to answer were:

1. Has the LIDP programme met its objectives and how well has it performed against these?
 - a) What were the key barriers to decarbonisation which the LIDP helped overcome and what barriers have remained?
 - b) To what extent and how has the enhanced knowledge sharing and learnings across the initiative resulted in greater awareness among key stakeholders for how to decarbonise and collaborate with other stakeholders to develop plans?
2. To what extent and how has the scheme delivered the outputs and impacts set out in the ToC?
3. What lessons learnt can be taken from the scheme to support future scheme design and implementation?
4. What was the effectiveness of the delivery of the LIDP?
5. Did the fund design enable projects to deliver whilst remaining aligned with LIDP objectives?

6. What is the additionality of the LIDP? Would projects have made similar progress in its absence?
7. Has the LIDP created self-sustaining clusters or are projects continuously reliant on government support in the future?

Research Methodology

The research was undertaken by professional Government Social Research (GSR) analysts within the Department for Energy, Security and Net Zero (DESNZ) between August 2025 and April 2026. The evaluation was designed as a proportionate, mixed methods process and early outcomes evaluation. Given the planning-focused nature of the LIDP programme and the early stage of implementation, the evaluation prioritised understanding programme design, delivery, implementation mechanisms and early outcomes rather than attempting to measure longer term impacts or causal effects. More in-depth impact evaluation approaches set out in the Magenta Book⁶ (such as a contribution analysis) were considered during evaluation scoping but not judged as proportionate or feasible at this stage, given data availability, timescales and the programmes ToC which assumes impact would materialise beyond the lifetime of the scheme.

The evaluation employed a mixed-methods approach, drawing on complementary qualitative and quantitative data sources to enable triangulation across perspectives and strengthen confidence in findings.

Qualitative data was collected through:

- Semi-structured interviews with 11 of the 13 funded LIDP clusters, project leads.
- Interviews with all of the Technical Advisors (3) and Monitoring Service Providers (2) who were appointed through the delivery partner.
- Interviews with Innovate UK (3) who were the delivery partner responsible for programme management.
- A focus group with DESNZ policy, delivery and communications colleagues.

Interviews were conducted by trained social researchers, including researchers both within and independent of the core LIDP policy team, to support analytical independence and reduce the risk of bias. Semi-structured topic guides were used to ensure consistency across interviews whilst allowing respondents flexibility to reflect on their specific experiences. Topic guides were informed by the programme objectives, the ToC and key evaluation questions.

To collect **quantitative data**, an **online survey** was administered using Qualtrics to project partners across all 13 funded projects. The survey was designed to capture participants experiences of the LIDP application and delivery process, perceptions of extent to which programme objectives were met, views on collaboration, capability building and evidence generation as well as expectations around project progression and sustainability following the end of the funding.

The survey included a combination of closed-ended questions and open text boxes to allow participants to provide additional detail. Survey coverage ensured representation across the

⁶ [The Magenta Book - GOV.UK](#)

full portfolio of funded projects, though response rates varied by cluster. In total 29 project partners took part in the online survey from a range of clusters and roles⁷.

Sampling and coverage

The evaluation sought to capture perspectives across the full lifecycle of the programme from all key stakeholder groups involved in the design, delivery and participation. Interviews covered most funded projects (11 out of 13), as well as delivery partners and policy stakeholders providing a broad and balanced qualitative evidence base. The survey targeted all funded project partners, enabling cross-project comparison of experiences and outcomes.

Project participants and wider businesses engaged in clusters, but not formally part of the funded consortia, were not included in primary data collection due to difficulties identifying a consistent sample frame and reaching those groups within the evaluation timeframe. More detail on this is set out in the limitations section.

Data analysis

A thematic analysis approach was used for the qualitative data from interviews, focus groups and open survey responses. An initial coding framework was developed from the evaluation questions, programme objectives and topic guides, and then refined iteratively as analysis progressed. Data was managed and analysed using NVivo 12.

To enhance analytical rigour and reliability, coding was reviewed by multiple researchers and emerging themes discussed within the evaluation team. This process supported consistency in interpretation, challenged assumptions and helped mitigate individual researcher bias.

Quantitative survey data was analysed using descriptive statistics to summarise patterns in responses across the sample. Findings from closed-ended questions were used to contextualise and test qualitative insights, rather than to produce statistically generalisable results.

Findings were systematically triangulated across data sources, comparing evidence from interviews, surveys and focus groups across all perspectives to identify convergence, divergence and explanatory insights. This mixed-methods synthesis strengthened confidence in reported findings and enabled a nuanced understanding of how and why outcomes were achieved, varied or constrained across projects.

Findings on outcomes and additionality are primarily based on stakeholder perceptions rather than causal impact methods and therefore should be interpreted with appropriate caution.

Quality assurance, ethics and data handling

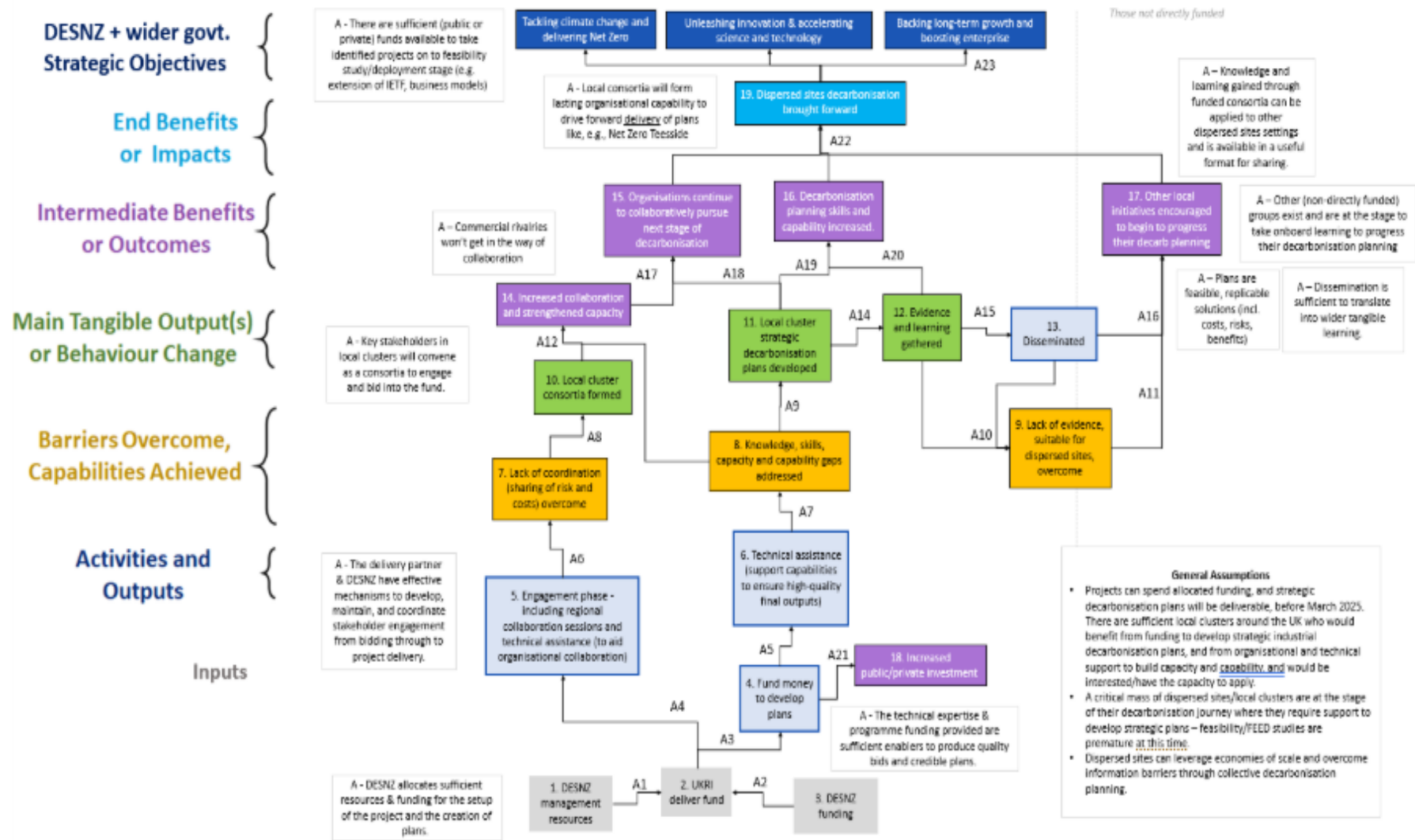
The evaluation was conducted in line with quality assurance standards (such as the Magenta Book⁸). Ethical considerations were proportionately applied, including informed consent, confidentiality and secure data handling. Participation was voluntary, and findings are reported

⁷ 49 project partners opened the survey and 34 started the survey but didn't complete, however partial responses were used

⁸ [The Magenta Book - GOV.UK](#)

in a way that avoids identifying individual respondents. Personal data was handled in accordance with data protection requirements and analytical judgement was applied throughout to ensure findings are balanced, evidence based and policy relevant. Further details on data limitations and implications for interpretation of findings are set out in the limitations section.

Figure 2: The Theory of Change for the LIDP



The LIDP programme was underpinned by a Theory of Change (ToC) created by DESNZ at the policy design stage. The ToC conceptualised industrial decarbonisation as a long-term outcome, with the scheme designed to act as an enabling intervention rather than a direct driver of emissions reduction. The principal outputs comprised of grant funding, an early engagement phase, delivery partner support, light touch monitoring and technical advice.

These inputs were intended to enable mechanisms specifically to facilitate collaboration, improve access to shared evidence and analysis, and strengthening local capability and confidence to undertake strategic decarbonisation planning. In the causal chain, these mechanisms were expected to generate short-term outputs in the form of credible, context specific decarbonisation plans, enhanced stakeholder relationships and improved understanding of viable technological pathways at cluster level.

The ToC relied on several critical assumptions, notably that the absence of coordinated planning, shared evidence and collaborative capacity constrained on progress towards industrial decarbonisation, local actors would be willing and able to engage collectively in strategic planning when provided with time-limited support, and that producing high quality plans would better position clusters to attract future investment, influence policy development and pursue implementation activity beyond the lifetime of the programme.

Key risks and limitations of the scheme also were considered during the design phase plan such as the likelihood that anticipated benefits would be indirect and predominantly qualitative, the potential for uneven engagement across cluster partners and the dependency of longer-term outcomes on external factors such as follow on funding, policy uncertainty and infrastructure decisions beyond the programmes control.

Overall, the ToC emphasises contribution rather than attribution with the LIDP expected to create enabling conditions for decarbonisation rather than deliver it directly within the scheme period.

Limitations

The study faced some limitations:

- **Timing and recall bias:** the gap between the programme being undertaken and the evaluation fieldwork meant that some early contributors were no longer in post. Evidence on the application and early delivery stages therefore relied partly on retrospective recall, which may be subject to recall bias, with perspectives weighted towards later delivery phases and implementation.
- **Coverage across all 13 projects:** The evaluation met its original target of interviewing 8 project leads from a majority of funded projects and exceeded this by interviewing 11 project leads across the 13 LIDP projects. All project leads were contacted through multiple routes; however, views from two projects are not reflected due to non-response from the project leads or their local authorities. As a result, findings may place greater weight on the experiences of projects that were able and willing to engage and may slightly over-represent positive perceptions of the programme.
- **Coverage of non-funded and unsuccessful participants:** Project participants and businesses not funded through the consortia could not be surveyed due to unavailability

and challenge surrounding getting accessible contact details. This research also did not seek responses from clusters who were unsuccessful in securing funds via the LIDP scheme. Evidence therefore reflects primarily the views of funded, successful partners and may under-represent wider cluster-level experiences.

- **ToC assessment:** While the evaluation does not provide a full assessment of causal impact or theory of change assessment and mechanisms, it offers robust and proportionate evidence on programme delivery, early outcomes, and implementation learning, supported by triangulated qualitative and quantitative data.
- **Survey responses:** Whilst the survey reflects a proportion of project partners views across all clusters, the total sample size of the survey was smaller than desired and isn't generalisable. Survey responses were used to triangulate qualitative insights rather than aiming to be statistically significant.
- **Value for money assessment and data limitations:** A formal VfM assessment was not undertaken as part of this evaluation due to the absence of sufficiently robust and comparable cost and outcome data across projects. The evaluation therefore focuses on delivery, early outcomes and implementation learning rather than economic efficiency.

However, these limitations were mitigated through triangulation of interviews, survey findings and a high-level review of the ToC, enabling cross-validation of key themes and strengthening the robustness of the evaluation's conclusions.

Evaluation

Evidence suggests that the LIDP broadly met its main objectives

Objective 1: Support the direct development of credible, context-sensitive strategic decarbonisation plans

"I genuinely think we did deliver a strategic plan for the cluster. We went from a vague, to an exact idea of objectives for the cluster." – Project Lead

Most survey respondents, (87% in Figure 3), agreed strongly or somewhat strongly that the scheme **supported the direct development credible, context-sensitive strategic decarbonisation plans**.

Many of the plans incorporated data gathering and monitoring aspects which supported the plans to be credible. Technical Advisors interviewed commented that most plans were credible, and this objective was met "pretty well" and explained that there were good outcomes of plans that would not have otherwise happened without the LIDP. More on the additionality of the scheme is explored later in the report.

Plans were viewed as strategic and context sensitive as bringing stakeholders and a range of businesses to feed into a singular plan allowed for a range of views to be heard, a clear sense of objectives and solutions in order to decarbonise as a collective. Respondents cited particular

aspects such as benchmarking with others, using the plans to explore particular technologies or decarbonisation strategies companies hadn't previously considered and the incorporation of data gathering as particular important element of the plans.

Figure 3: Agreement that the LIDP supported direct development of credible, context sensitive and strategic plans

Q9_1 - "The LIDP supported the direct development of credible, context-sensitive, strategic decarbonisation plans"

Strongly disagree [0%] Somewhat disagree [3%] Neither agree nor disagree [9%] Somewhat agree [42%] Strongly agree [45%]



Whilst the evidence does suggest this objective was met in terms of the plans being created as all 13 projects created plans which were mostly viewed as credible and strategic with stakeholders and deliver partners viewing it as achieved, there were concerns that the plans themselves won't be further implemented or used in the long term. Some respondents viewed, that in the long term, the objective won't be met if there is no further implementation of the content of the plans themselves.

"Yes [its been met] but achieve is a strong word as it's a long-term plan and we are at very start of the journey." – Project Lead

Objective 2: To help build organisational collaboration

There is **consistent stakeholder evidence that organisational collaboration was met** as part of the LIDP, and this was seen as a key part of the scheme. Most LIDP plans and cluster consortia were successful in adopting a collaborative approach as demonstrated in Figure 4.

Figure 4: agreement that the LIDP helped build organisational collaboration

Q9_2 - "The LIDP helped to build organisational collaboration"

■ Strongly disagree [0%] ■ Somewhat disagree [0%] ■ Neither agree nor disagree [6%] ■ Somewhat agree [42%]
■ Strongly agree [52%]



In clusters where collaboration previously occurred between stakeholders, it was strengthened further by the programme as it created opportunities for organisations to work together in a more formal environment, rather than on an ad-hoc basis which was previously the case. In this scheme, the main structure was project leads (from local authorities) leading with input from project partners and project participants. This structure was highly valued as it allowed for coordination of input, clearer governance and broader knowledge sharing.

"The kernel of the consortia was already in place but also opened up opportunities for them to do more together as a consortium." – Project Lead

Interviews found that the project participants (such as SMEs, as well as multinational corporations) were motivated to join the wider clusters despite not being given direct funding, specifically due to the collaboration aspect of the scheme and the prospect of what this could bring for decarbonisation and future work.

Collaboration was found to **occur not only within projects and their consortia but also between projects** which further demonstrated that collaboration was met and that this was a valued aspect of the scheme. For example, both port-based LIDP projects collaborated and shared knowledge which supported plan development and deeper understanding on specific cluster scenarios. This opportunity was viewed by leads as invaluable towards plan creation and collaboration.

Whilst there was some general variability in levels of collaboration across projects overall this was seen as a success across both the survey, interviews and focus groups. However, the lack of further funding has implications for collaboration to continue post-LIDP. It was raised that many clusters are struggling to keep the consortium engaged due to there being no further resource to enable project leads to co-ordinate this. Whilst most project leads were from local authorities (LAs), the resource was specifically allocated from the LIDP money allocation, therefore in this absence money allocation towards continuing governance and coordination which a lead would specialise in is no longer viable for LAs to fund beyond the initial fund allocated. This has had a knock-on effect on further collaboration activities, as well as long term implementation of the plans.

*“We are struggling now to keep that engagement going as we are without the resource and governance to keep the consortium engaged without the LIDP”
– Project Lead*

Objective 3: To strengthen decarbonisation planning skills, capacity and capability in local industrial clusters

Through collaboration and knowledge sharing, evidence from the evaluation suggests that planning skills were strengthened and an increase of capacity and capability in local industrial clusters, **suggesting that this objective was also met.**

“[LIDP was] positive... made all organisations look deeply into how to operate more sustainably” – Project Lead

Project leads raised how the LIDP supported clusters in increasing appreciation of how to go about better planning for and understanding decarbonisation. This was supported through monitoring activities (such as monitoring emissions), and through knowledge sharing activities such as workshops and engagements with academics to further enable planning skills. Types of skills varied however included improved ability to understand emissions data, develop decarbonisation roadmaps, assess technology options and coordinate multi-partner planning processes.

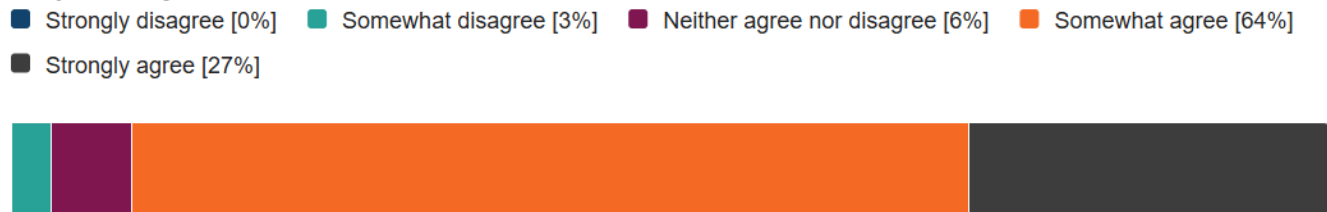
Other activities which supported capacity and capability which were mentioned in the research were;

- Regular and structured interactions such as workshops, site visits and regular meetings between participants, partners and leads.
- Cluster led and local engagement events such as local business forums and partner events.
- Specific knowledge sharing events with other clusters, consultants, Technical Advisors and industry experts. Some of these were organised through Innovate UK during the engagement phase whereas others were organised outside of the formal channels.
- In some clusters, prior decarbonisation initiatives provided a foundation which supported collaboration and progress by building on existing capability.

When asked about whether this object was met, 91% survey respondents agreed somewhat or strongly that LIDP strengthened decarbonisation planning skills and capability (Figure 5). In interviews project leads stated how helpful the LIDP was in supporting decarbonisation skills. For example, project leads cited that bringing in universities supported upskilling, furthered understanding of specific technologies such as electrification and a greater insight into planning locally.

Figure 5:Agreement that the LIDP strengthened decarbonisation planning skills and capability

Q9_3 - "The LIDP strengthened decarbonisation planning skills and capability"



Bringing stakeholders around a singular plan and focusing on knowledge sharing and collaboration, helped improve their skills and planning locally, enabling them to focus on which technology areas would be most appropriate to support cluster decarbonisation (such as electrification). Alongside this, the monitoring of key areas such as emissions, allowed the creation of roadmaps to decarbonisation and enabled a deeper understanding of what works and next steps amongst project partners, participants and leads. This was seen as particularly important for the smaller firms where a collaborative effort was needed for the scale of projects required to tackle decarbonisation and was noted as a key positive for the LIDP from Technical Advisors.

Overall, due to the publication of plans, there are clear roadmaps and examples for others to follow which may assist the creation of future clusters to understand what technologies work best in certain environments, as well as what is required to create a good quality plan (for example, monitoring data or a clear roadmap). However, due to the design of the LIDP to be flexible, not all aspects may be applicable to new cluster formation. This is discussed further in the design and application section of the report. There was some variable participation within the plans which impacted collaboration and it was noted from the MSPs that the focus was mostly on upskilling LAs (who were predominantly the project leads), rather than the wider project partners and participants. Additionally, many plans had heavy consultancy involvement, rather than work being done by the leads and partners. This may mean that upskilling did not occur on a large scale across all relevant parties and may have been concentrated specifically to project leads rather than project partners and participants. Whilst the challenge in measuring the extent to which individual skills and capacity had increased due to the LIDP, this objective was met. Survey findings show that 91% of respondents said their knowledge of industrial decarbonisation had improved by over 50% and almost half of those (48%) reported over a 70% increase in knowledge.

Objective 4: To gather evidence to inform decarbonisation of other local industrial clusters and dispersed sites

Evidence gathering refers to the generation, documentation and dissemination of data, insights and learnings from the LIDP projects to build an evidence base to inform decarbonisation approaches in other industrial clusters and dispersed sites. This objective intended to move beyond project level learning to create a transferable evidence base for wider policy and programme design however, in practice, evidence generation was largely project specific and only partially translated into generalisable insight beyond the initial plan creation.

Compared to the other objectives, this was **only partially met**. From the cluster perspective, their focus was often not on evidence gathering for wider implementation, **rather specific evidence gathering occurred for their cluster and consortia situation**. Evidence gathering was often viewed as an afterthought which was something policy makers needed to do, instead of the onus being on clusters to undertake this activity.

However, all plans were published and accessible for wider learnings to take place in the future and has fed into the evidence base on cluster decarbonisation. As mentioned in objective 3, the outputs varied and were often very cluster specific so may not be applicable to wider learnings for other industrial clusters or dispersed sites. The outputs (plans) were also variable in quality, and whilst most were of a high quality those of a lower quality may not feed into a robust evidence base. However, quality of plans was not something measured by the evaluation so we are unable to conclude how many plans would be deemed helpful to inform other clusters and dispersed sites. Additionally, whilst the projects themselves would have had more detailed documentation than the published plans, as these were not widely shared they could not form part of the knowledge sharing objective.

The survey responses showed the majority, **61%, did strongly agree that the LIDP allowed them to gather evidence**. In interviews, Innovate UK highlighted that projects transparently set out their methods, options, and workings, with consistent access to information across the cohort supporting delivery. They also emphasised the value of having 13 diverse projects, whose varied tools and approaches generated rich, business-focused evidence to inform future decarbonisation efforts.

Figure 6: Agreement that the LIDP allowed projects to gather evidence which informed decarbonisation of local clusters and dispersed sites

Q9_4 - "The LIDP allowed us to gather evidence to inform decarbonisation of our local clusters and dispersed sites"

Strongly disagree [0%] Somewhat disagree [3%] Neither agree nor disagree [3%] Somewhat agree [33%] Strongly agree [61%]



Some clusters had specific focus on gathering evidence and felt the objective had been met, given the adoption of monitoring data to understand the baseline of emissions as well as providing case studies and lessons learnt which were publicly available.

The survey findings contrast with views expressed by several project leads in interviews who reported that evidence generation and knowledge sharing for wider policy learning were not a central focus for their LIDP projects. Some indicated uncertainty around how their work could inform policy making and felt that greater support or clearer expectations would have been needed to achieve this objective.

The stronger agreement demonstrated in the survey towards evidence gathering may reflect that respondents considered the development of plans and baseline analysis as sufficient, even where this was not systematically shared. In addition, in cases where plans have not progressed beyond the LIDP period, stakeholders noted that any potential contribution to the evidence base has been limited or stagnated over time.

Overall, this objective was only partially met. While most respondents felt the LIDP enabled some evidence gathering and Innovate UK highlighted the transparency and diversity of approaches across the 13 projects, evidence generation for wider policy learning was not a core focus for many clusters and was often viewed as a policymaking responsibility rather than a project one. Although all plans were published and some clusters produced useful baselines, case studies, and lessons learned, outputs were highly cluster-specific, variable in quality (as raised by MSPs and Technical Advisors), and in several cases, progress stalled as plans were not taken forward, limiting their contribution to a robust, transferable evidence base. Dissemination was also limited; whilst plans were published and publicly viewable, wider dissemination activities relied on proactive individuals to share plans and learning.

It is important to note that evidence gathering activities have been undertaken within DESNZ, with this evaluation, internal lessons learnt reports and academic research conducted to understand the impact and recommendations of place-based decarbonisation activities.

The LIDP addressed barriers to cluster decarbonisation increasing knowledge and overcoming collaboration barriers

The main barriers to decarbonisation which the LIDP helped overcome were focused on **collaboration and knowledge sharing which enabled the main scheme objectives to be met.**

Collaboration was deemed as a core aspect of the scheme as it supported plans to focus further understanding on specific issues that clusters faced, even if it didn't directly solve the issue. Collaboration enabled knowledge sharing to take place to allow clusters to further understand what technologies would be best in scope, identify barriers to implementation and generally support the development of credible, context sensitive plans to support cluster development. It was cited by one of the project leads that one of the biggest risks to the plan creation was collaboration and ensuring that all involved worked well together and this was overcome as a result of the scheme's specific collaboration focus.

“...we worked really well together and that was the biggest risk to success [which was overcome]” – Project Lead

Innovate UK identified information barriers as a key constraint to decarbonisation, highlighting a lack of clarity around decarbonisation pathways made it difficult for organisations to determine appropriate courses of action. This was compounded by capability constraints, particularly amongst smaller businesses where use of technical and specialist terminology was not always accessible, creating “a fear of the unknown”. Together, these factors contributed to uncertainty and reduced confidence in engagement with decarbonisation activity.

As a result of the collaboration and knowledge sharing element incorporated in the scheme, this was largely able to be overcome. The enhanced knowledge sharing and learnings across the initiative resulted in greater awareness among key stakeholders for how to decarbonise and collaborate with other stakeholders to develop plans. In some cases, collaboration would have occurred already but was strengthened by the LIDP and in other cases collaboration was very additional because of the programme. Whilst collaboration and the extent of it varied, there is strong evidence that most did achieve the aim of collaborating and knowledge sharing as also set out in the ToC.

Between project lead and project partner responses it is clear that whilst some had previously engaged with others and in some cases, there were informal prior collaborations that had taken place, mostly through local authorities, previous projects and working with others through word of mouth, LIDP did help strengthen and formalise collaboration which supported greater awareness of decarbonisation.

“There was a fully functioning collaborative team by the end of the project”. – Project Lead

Overall, the LIDP helped overcome collaboration barriers by providing time, resource and a structured framework for organisations to move from fragmented or informal engagement to coordinated, collective working. In several cases, stakeholders who had not previously worked together were brought into formal consortia, enabling clearer governance and alignment of roles. Regular and structured interactions, including workshops, meetings and site visits, supported relationship-building over time and helped establish trust, which was identified as a key precondition for effective collaboration. The requirement to develop a single, shared decarbonisation plan further aligned stakeholders around common objectives, reducing siloed decision-making and supporting joint problem solving. Collaboration also enabled access to complementary expertise across industry, academia and technical specialists, helping to address capability gaps and improve understanding of decarbonisation pathways, particularly among smaller firms. In some instances, collaboration extended beyond individual clusters, with projects sharing approaches and learning across the wider LIDP cohort. Together, these mechanisms helped address coordination, capability and trust barriers, enabling more effective and sustained collaboration across participating organisations.

Participants valued the collaborative approach being a key aspect of the LIDP as it allowed focus on a singular plan which enabled a clarity with next steps towards decarbonisation for all participants, including project participants and businesses in the cluster. It was mentioned that **time is also important for collaboration** to occur and build relationships and trust to further enhance the benefits of collaboration which is a key takeaway for future schemes.

Collaboration allowed knowledge sharing to take place and viewed as a key aspect of the scheme to understand past lessons on decarbonisation support the exploration of tools and approaches. Collaboration and knowledge sharing benefited the plans and to some extent the success of them, as a wide range of stakeholders and partners were involved across the projects. This encouraged clarity on what were the best ways forward as technology experts and consultants could support in setting out requirements, academics could share evidence, baseline monitoring could take place, in addition to creating space for site visits and workshops to support delivery.

Figure 7: Knowledge sharing and learnings resulting in greater awareness in collaboration

Q14_2 - "Knowledge sharing and learnings from your project resulted in greater awareness of how to collaborate with stakeholders to develop plans"

■ Not at all [0%] ■ To a small extent [6%] ■ To some extent [27%] ■ To a great extent [48%]
■ To a very great extent [18%]



91% of survey respondents (project partners) in Figure 7 said that as a result of the scheme, their **knowledge of industrial decarbonisation increased by over 50% and almost half of those (48%) reported over a 70% increase in knowledge**. This demonstrates how knowledge sharing supported the understanding of how to decarbonise through events and the creation of a plan which involved a range of stakeholders. This is also supported by technical advisor views that LIDP supported the demystification of decarbonisation and made it accessible.

"Decarbonisation is expressed in terms of electricity costs or need to change gas furnaces or put in new technology, and that might be scary. It links you to other people who make it less scary." – Technical Advisor

Figure 8: Knowledge sharing and learnings supporting awareness of decarbonisation

Q14_1 - "Knowledge sharing and learnings from your project resulted in greater awareness of how to decarbonise"

■ Not at all [0%] ■ To a small extent [6%] ■ To some extent [21%] ■ To a great extent [52%]
■ To a very great extent [21%]



Figure 8 demonstrates 73% of survey respondents believed that knowledge sharing and learning resulted in greater awareness of how to decarbonise to a great, or very great extent. This supports the consensus of the scheme supporting knowledge of decarbonisation across key stakeholders and clusters generally.

The engagement phase was widely viewed as a valuable and important component of the LIDP

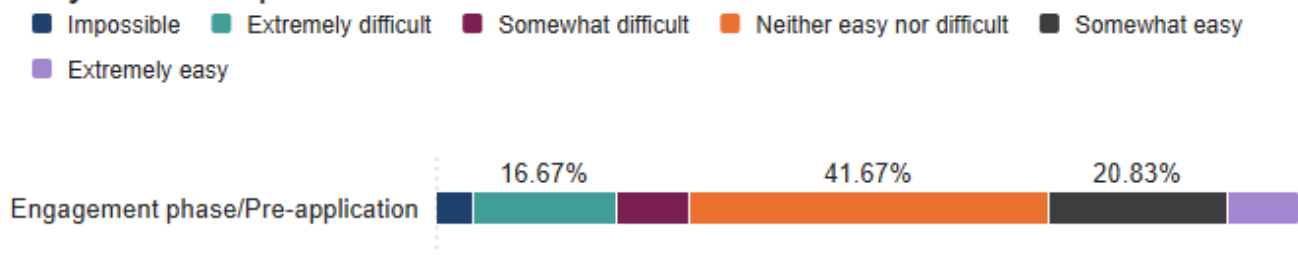
The engagement phase was a pre-competition activity designed to support the formation of collaborative, place-based consortia and improve the quality of bids. It was introduced in response to coordination barriers facing dispersed industrial sites, which often lacked established networks or experience of joint decarbonisation planning. Delivered through early fund announcement, briefing sessions and collaboration-building workshops in the run-up to the competition, the engagement phase aimed to enable stakeholders to identify partners, develop shared proposals and better understand scheme requirements. Within the programme's Theory of Change, it functioned as an enabling input to facilitate collaboration, improve access to information and increase readiness for strategic planning, ultimately supporting the development of credible local industrial decarbonisation plans.

This positive outlook of the engagement phase was particularly in **supporting understanding of the scheme, enabling early relationship-building and encouraging knowledge sharing across projects**. Stakeholders consistently reported that events and communications enhanced the delivery of LIDP plans, although there were limits to their effectiveness in enabling proactive collaboration and bid development. Survey findings indicate moderate engagement with events and communications with 57% of respondents attending events and the majority of those rating them as helpful or very helpful in relation to both the application process and the overall success of their project. Respondents were also asked how easy they found the engagement phase and while the majority said neither easy nor difficult.

“Lots of projects and decarbonisation pathways are interconnected and interdependent and will ultimately require a combination of private and public. So having various technology partners in the room as well as the public sector was useful to identify synergies”. – Project Lead

Figure 9: How easy was the engagement phase

Q21 - Considering the delivery process, rate the steps on a scale of how easy each step was?



Fieldwork data highlights that engagement events were particularly valued for clarifying objectives, answering questions and creating opportunities for informal interaction. Project leads described Q&A sessions and information events as beneficial, especially where they enabled direct discussion with delivery bodies and other stakeholders.

“The Q&A sessions were really beneficial and often met people at the events [...] it was helpful to have someone there to answer questions.” - Project

Events were also seen as an important mechanism for initial relationship-building and knowledge sharing, helping to foster a sense of community across projects that would not otherwise have interacted. However, evidence suggests that the engagement phase did not always function as intended in supporting proactive collaboration or joint bid development. Some stakeholders noted that the competitive nature of the scheme limited the extent to which participants were willing to share ideas openly and ask questions during engagement events. There were also challenges relating to timing, format and accessibility. Several respondents felt that engagement events would have been more effective if delivered at a different point in the process, with more notice or a longer pre-mobilisation phase. Others highlighted many events were in the South of England, which was a challenge for them, since they felt they were also given short notice to attend. Additionally, it was reported that face-to-face engagement was more effective than online formats, particularly for building trust and enabling richer discussion. Despite these issues, there was strong support for an engagement phase in future schemes, with the majority viewing it as preferable to a model with no early engagement at all.

“Without [an engagement phase], it is to assume that stakeholders have unlimited capacity and capability to engage with whatever government throws at them.” – DESNZ Policy and Delivery

Overall, evidence indicates that events and engagement added clear value to LIDP delivery, particularly in improving understanding, supporting early networking and encouraging knowledge sharing. However, limitations in timing, accessibility and the constraints of a competitive process reduced their potential impact. These findings suggest that **future schemes would benefit from retaining an engagement phase while refining its design to better support early collaboration, inclusivity and bid quality.**

The LIDP was unable to address larger barriers such as infrastructure and technology constraints impacting plan progression, however these weren't core LIDP objectives

The main barriers to decarbonisation were identified as the **high cost of equipment and deployment of it which was exacerbated by lack of further funding** (private and public) to cover the costs, as well as barriers around infrastructure and technology constraints and general bureaucracy issues in getting to the deployment stage. Whilst these barriers were out of scope for the LIDP as set out in the ToC assumptions, it has meant that further support or levers to overcome these barriers is needed for the plans to be implemented.

"Plans didn't get close enough to fruition to being implementable and really pin down those final barriers" – Innovate UK

However the **collaboration and knowledge sharing element did support greater awareness** and understanding of these barriers and measures for them to be overcome, even if it wasn't able to address them directly, with many interview participants stating how the LIDP helped clusters identify what the barriers were and stakeholders were able to collaborate to understand how they could be addressed in the long term.

"LIDP did not solve it [barriers] but allowed us to get a better understanding [of infrastructure and funding requirements]" – Project Lead

On technology and infrastructure barriers, **capital infrastructure cost was identified a key issue.** During interviews, there was a strong sentiment from project leads that most projects would require multi-million-pound infrastructure in order to support decarbonisation which was viewed as a challenge to implement, due to funding constraints as well as the timings required. **Timings were cited** with many mentioning that certain technologies such as electrification, hydrogen and CCUS infrastructure require lengthy planning permission timelines and 3-5 year lead in time, even once a financial agreement has been made to progress with the technology.

Other infrastructure and technology barriers were raised. Respondents recommended further improvements to areas such as the national and northern power grid (including grid upgrades needing to take place), sector specific issues, for example cement generally facing challenges to decarbonise which need to be overcome, electrical supply (both the volume and reliability of this), as well as the cost implications of electricity and technology deployment (CAPEX costs) which these projects are faced with.

Funding was the main barrier cited to decarbonisation and the plans further progressing towards implementation

The **initial funding package itself was seen as sufficient** for the initial creation of plans, which brought in the right amount of resource and governance, enabling collaboration, knowledge sharing and the creation of clusters which allowed the LIDPs aims and objectives to be achieved. A minority of respondents reflected how a larger grant would have supported further development of the plan as some felt the initial funding only scratched the surface. However, broadly, this was still seen as a suitable grant amount for a scheme which aims to specifically support the planning stage of decarbonisation. Additionally, given the main objectives of the scheme were mostly achieved, this demonstrates that broadly the funding was sufficient.

Lack of further public and private funding available has constrained clusters to implement plans and deploy equipment to meet decarbonisation expectations. As mentioned, CAPEX costs, energy and electricity costs are all major financial barriers which the LIDP was not designed to overcome on its own. Whilst the LIDP did support clusters to understand exactly what the financial barriers were, as it enabled understanding of what technology was best placed for the cluster, it was not able to overcome the financial barrier itself. Challenges in securing further funding which has impacted project implementation is further explored later in the report focusing on the future of clusters.

“LIDP would never have been able to overcome all barriers – main barrier is a cost. Fossil fuels remain cheaper than green energy” – Innovate UK

It is important to note **that funding isn’t the only lever for progress to be made**, the focus group with policy raised how there is often an underlying assumption that progress depends primarily on the availability of government funding, however the issue is broader than this. The challenge is not solely on the absence of funding but the lack of effective levers overall, whether regulatory, policy-based or market-driven which would create sufficient impetus for change. Respondents mentioned that there was a perceived absence of strong incentives or disincentives (“carrots or sticks”) to drive action, regardless of funding.

This also reflects a potential over-reliance on government grant funding as the main mechanism for progress, as well as an absence in private funding channels being observed. Overall, this has created challenge in the progression of the LIDP plans. This was also observed as a pattern in the IETF evaluation which highlighted the limitations of funding alone in the absence of complementary regulatory or policy measures to support delivery and sustained change.⁹ The LIDP also assumed interaction with other policy areas in the ToC, recognising that the LIDP on its own would not be able to support the deployment of decarbonisation projects independently of other policy measures. Instead targeting cluster and dispersed sites collaboration, knowledge sharing and improved decarbonisation knowledge through the creation of the plans.

⁹ [Industrial Energy Transformation Fund \(IETF\): interim impact evaluation - GOV.UK](#)

In the survey, project partners were asked to share the barriers to decarbonisation and cited the funding, infrastructure and technology barriers. When asked if the LIDP helped their cluster (Figure 10) overcome those barriers, 66% said no, suggesting a gap and demonstrating hindrance to implementation.

Figure 10: Did the LIDP overcome barriers stated in survey

Q31 - Did the LIDP help your cluster overcome these barriers?

■ Yes [10%] ■ No [66%] ■ Unsure [24%]



Whilst the LIDP did meet its objectives as set out, many significant barriers to plan implementation remain. Although mostly out of scope for the LIDP, this research highlights the barriers which still remain to support cluster decarbonisation. However as mentioned above, **the LIDP wasn't necessarily set out to overcome the barriers to deployment, as it was seen as an early-stage intervention to support the understanding and context for how clusters and dispersed sites could decarbonise in the first place.**

The design of the LIDP enabled projects to deliver individual plans and be successfully aligned with LIDP objectives

The policy team and Innovate UK set out that the **fund was specifically designed with flexibility** in mind and did enable projects to deliver a range of plans whilst remaining aligned with the LIDP objectives. Allowing for a wide range of eligible applicants was felt to maximise the opportunity for local cluster project teams to represent all key industrial decarbonisation stakeholders in an area and bring all interests into consideration into the plan – as successful applicants must have demonstrated broad stakeholder engagement in the application. The plans gave policy makers what was needed in terms of analysis of existing emissions and industrial structure, whilst allowing an investigation into decarbonisation pathways and barriers. The scheme design recognised that different clusters had differing needs and were at varying stages of their journey, so requirements needed to be flexible enough to account for this. There were some requirements to the plans, although applications from a range of clusters was aimed for. Plans did need to focus on developing a decarbonisation pathway and options for common infrastructure solutions, so the fund could aim to drive local clusters to focus on coordinated projects that could have been implemented after 2025. This flexible approach with some core requirements generally worked well, encouraged a range of applications but also enabled the focus on feasible solutions to cluster decarbonisation.

The eligibility criteria were intentionally kept broad to avoid excluding certain stakeholder groups. However, in hindsight, there was reflection on whether this approach would be adopted again due to challenges with comparability. The lack of specificity proved challenging

in practice, and clearer parameters, particularly around the required content of the final plans, could have helped to strengthen their focus and overall impact. Additionally, due to the flexibility, challenges around managing milestones were also raised by MSPs as a key area for improvement. Whilst flexibility was valuable in some contexts, future schemes should define clearer core requirements (such as baseline data collection, governance and dissemination expectations) to support consistency in objectives and outputs, while recognising the inherent trade-off with project comparability.

“To improve the competition, design could be more rigid and there could be more interim milestones”. – MSP

Scheme design was also limited by the spending profile so realistic options were necessary when designing the timeline of the fund, meaning that focus was on what was achievable with the money available and in constrained timelines. A key lesson is **that greater flexibility, whilst beneficial for projects, also limits the extent to which specific outcomes can be enforced**. Where schemes allow significant discretion through their rules, it is important to recognise that projects may not deliver precisely defined outputs. Conversely, if specific outcomes are required, these need to be set out clearly and in sufficient detail at the outset.

Overall, the **fund design can be considered effective**, as the programme delivered 13 plans to time. However, it was recognised that some aspects of delivery could have been strengthened. As one policy delivery stakeholder noted, the delivery partner relied on a model previously used for the Industrial Decarbonisation Challenge¹⁰ without fully accounting for the specific nuances of this policy compared to the LIDP offer. For example, the IDC operated at a more advanced stage focusing on infrastructure, engineering and deployment pathways, whilst the LIDP was an early-stage intervention focused more on understanding pathways rather than implementing them.

Stakeholders identified timing as a limiting factor in the overall design and delivery of the fund. Whilst a prior announcement of the fund was helpful, earlier confirmation of timelines and clearer information at an earlier state would have supported more effective programme design. Although many of the clusters existed in some form prior to the fund, the compressed timescales constrained applicant capacity and were felt to have reduced the number of high-quality applications compared with policy and delivery expectations. However as mentioned, in the instance of LIDP there were commercial and financial timing constraints which impacted the timings but could be considered for future policies.

“Having a start date of the 1st of January was difficult. These short time scales meant much more reliance on consultants”. - MSP

Whilst the aims of each LIDP project varied across clusters due to the flexible approach taken, the fund design did enable projects to deliver whilst remaining aligned with the LIDP objectives. For example, some projects looked specifically at how decarbonisation technologies could be implemented in the area (most notably carbon capture and hydrogen). Circular economy goals

¹⁰ [Decarbonising the UK's industry: apply for phase 1 funding - GOV.UK](#)

and the creation of roadmaps in how to reduce emissions were also cited as aims for some clusters and all projects wanted to gain an understanding of what would be a realistic achievement to meet net zero goals across clusters in line with the expectations of the scheme.

Whilst some clusters had already been established to some extent prior to LIDP, others mentioned that they thought if they could be recognised as a dispersed industrial cluster, they would get more recognition from DESNZ and follow a different path to decarbonisation than previously thought. By taking part in the project, they could cement their relationship with innovate UK and others to allow them to move forward and gain further funding.

Respondents identified a key lesson for scheme design was that the scheme would have benefited from stronger preparation for project mobilisation and **a greater focus on medium to long term aims and objectives, rather than short term deliverables**. The scheme was perceived as having a largely short term focus, with insufficient follow-on support to sustain or build on plans which has limited longer term impact.

“The main lesson is the need for greater preparation in mobilising the project”. – Project Partner

As already discussed, the LIDP succeeded in meeting the objectives around the creation of credible, context sensitive, strategic plans for decarbonising local industrial clusters, despite the heterogeneity of clusters involved. Additionally, through collaboration and knowledge sharing, those objectives were met further. The scheme also supported evidence gathering utilising academics and researchers to understand baseline emissions and encourage monitoring through monitoring officers. This was a key aspect of plans, allowing them to set goals and meet the LIDP objectives and their own aims.

Experiences of the application process and support provided were mixed

Evidence from the evaluation indicates that experiences of the LIDP application process were mixed. While some stakeholders considered the process broadly proportionate and in line with expectations for a competitive government grant scheme, others found it challenging to navigate. As previously discussed, the fund was designed to be flexible, allowing projects discretion over the scale, structure and allocation of funding in order to reflect the differing needs of clusters. This flexibility enabled clusters to tailor their proposals across partners and workstreams and make adjustments during delivery, though it also introduced complexity for some applicants when navigating the application process.

“Every project could apply for the desired amount of funding and break that down between partners and workstream as they saw fit, which was really challenging but overall flexibility and ability to make change requests as they went through was helpful.” - Project Lead

The **application process broadly reflected standard practice** across government and Innovate UK funded schemes. As with many competitive public grant programmes, there is a balance to be struck between ensuring robustness, such as multiple stages and detailed requirements to demonstrate value for money and appropriate use of public funds and maintaining ease and accessibility for applicants. It is important to note that these strains are common across government funding schemes, with similar findings across BEAS¹¹ and IETF¹² schemes, and can be particularly difficult to resolve in programmes that involve the direct allocation of grant funding which projects acknowledged.

“A lot of work to do for the application but understands [need for this] to acquire public money.” – Project Lead

Familiarity with UKRI/Innovate UK-style bidding processes played a significant role in shaping applicant experiences. Several projects leads who had previously submitted similar bids described the requirements as clear and broadly aligned with standard public funding applications. However, partners with less experience of government grant processes, the application was often perceived as less accessible and harder to navigate. This created additional pressure within project teams, with some leads highlighting the reliance on experienced individuals to interpret requirements and steer bids through unfamiliar systems. For these applicants, the perceived complexity of the process raised concerns about inclusivity and the extent to which the scheme supported new or less experienced bidders.

“[The experience] was bad... it’s an art to do an application. It’s not inclusive if you haven’t written one before, you’re likely to fail 3-4 times.” – Project

Some leads explained that working through the application as a group helped, especially one group that had an individual who was already familiar with the process, although noting without that individual they may not have been able to do it. Additionally, project leads explained attending workshops in advance helped the application process.

Many project leads reported that the **application process required a significant time and resource commitment**. The number of questions, combined with the length and complexity of the grant funding template, was frequently cited as challenging—particularly for leads working with partners who were less familiar with the bidding processes.

Additionally, the **length of time** projects had to submit their applications were consistently cited as a problem by project leads explaining that pre-mobilisation periods were insufficient, limiting effective preparation and collaboration. Respondents emphasised the need for earlier signalling of funding, longer lead-in times (around 6–8 months), and a clearer separation between mobilisation and delivery phases to support higher-quality planning and smoother project start-up.

Policy and Innovate UK recognised that timings could have been improved, and that a longer and clearer delivery schedule would have strengthened the overall design. While the fund was announced in advance, stakeholders described the application window as very tight (around

¹¹ [Business Energy Advice Service \(BEAS\) pilot: process evaluation - GOV.UK](#)

¹² [Evaluation of Industrial Energy Transformation Fund \(IETF\): final process evaluation](#)

two months), which left some feeling rushed, cutting elements out of scope, and potentially reducing bid quality. Some suggested a further round or more flexibility to allow higher-quality applications. Respondents also noted that the short timeframe limited the extent to which the scheme fostered new partnerships beyond existing networks, as many clusters were already formed within particular organisations and clusters. To support delivery, interviewees highlighted the importance of setting expectations early (e.g., specifying any required data and outcomes in the grant offer letter) and providing clearer guidance and resources—such as a dedicated webpage—and ensuring templates are available in good time, rather than being chased up to the closing meeting.

Several respondents noted that the application demands could reduce perceived inclusivity and place additional pressure on project teams during an already short timeframe. The **complexity of the template and associated systems issues were also reported to have practical consequences**. Some project leads described heightened pressure as deadlines approached and difficulties navigating submission portals with their project partners. In a few cases, respondents indicated that the application process risked discouraging partner engagement.

“A lot of questions and understanding how to answer was time consuming, grant funding template could be streamlined and nearly jeopardised the whole project as project partners were nearly put off” – Project Lead

While some applicants were able to navigate the process successfully, the application approach was not experienced as proportionate by all participants and may have presented barriers to engagement for some, particularly less experienced bidders or those operating in complex partnerships. It was also raised that in some specific circumstances where clusters were port based or wanted to work with non-UK companies, the inability to work with non-UK based companies posed a challenge.

The application support available from IUK was, at times, experienced as difficult to access within the time available, with some respondents noting response times of up to two weeks, which was particularly challenging given the short deadlines. While some participants felt the online portal itself worked adequately, there were calls for more accessible and responsive support during grant submission and delivery. Policy delivery stakeholders also noted that administrative complexity contributed to delays in project start-up, highlighting the potential value of streamlined procedures, clearer competition criteria, improved support for cooperation, and earlier clarity on government commitment to reduce uncertainty in future schemes. A clear lesson learnt was to reduce administrative burden where possible and strengthen the support offer. Survey responses indicated that administrative requirements were often more time-consuming than expected, with limited upfront clarity on the level of effort involved. This was particularly challenging for less experienced grant recipients, who reported relying heavily on support from more experienced partners to navigate reporting and budgeting processes. There was a consensus from respondents that LIDP **support was easy to access throughout the project**.

Projects also had access to Technical Advisors during the application process; however, this support was not widely utilised. Evidence from interviews suggests that take-up was influenced by time constraints and the intensity of the application process. Several project leads reported that, while they recognised the value of technical input, the **short application window and administrative requirements limited their ability to engage meaningfully with Technical Advisors** alongside completing bid requirements. Instead, technical support was more commonly accessed during the delivery phase, once projects were mobilised and had greater clarity over scope and needs.

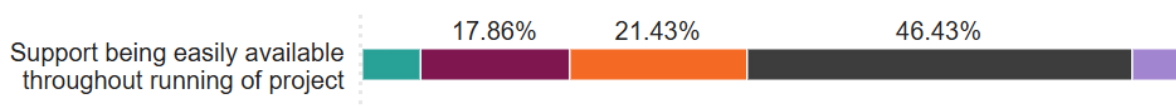
“The Technical Advisors were helpful during the delivery phase. I’m not certain we would have had time to utilise them during the application phase.”

Alongside the Technical Advisors, projects had access to a range of other forms of support throughout the LIDP, including Monitoring Service Providers (MSPs), the delivery partner (UKRI/Innovate UK), and, where required, external consultants. Survey findings suggest varied experiences in accessing this support. Overall, Figure 11 shows 46% of respondents reported that it was somewhat easy to access support during the delivery of the project, while 21% said it was neither easy nor difficult. However, a notable minority of respondents (18%) reported finding it somewhat difficult to access support, indicating inconsistency in how support arrangements were experienced across projects. These mixed views suggest that, while support structures were in place, experiences of accessibility and usefulness varied depending on project context, awareness of available support, and the capacity of project teams to engage alongside delivery demands. Additionally, project partners (the survey respondents) may have sought support indirectly through project leads responsible for the core application process, which may have introduced additional complexity in how support was accessed. However it was also raised by project leads that at times support was challenging to access.

Figure 11: Ease of delivery process

Q21 - Considering the delivery process, rate the steps on a scale of how easy each step was?

■ Impossible
■ Extremely difficult
■ Somewhat difficult
■ Neither easy nor difficult
■ Somewhat easy
■ Extremely easy



Taken together, the evidence indicates that experiences of the application process and support provided were mixed. While the overall design and support structures aligned with standard government and Innovate UK practice and worked well for some projects, others experienced challenges related to complexity, capacity and clarity of roles. These findings highlight the importance of balancing robustness with accessibility and ensuring that available support is clearly communicated and proportionate to applicant needs.

The monitoring process was experienced differently across projects

While some projects found the monitoring function supportive and proportionate, others felt it added limited value beyond basic project management and, in some cases, participants described the approach as overly procedural or ‘tick-box’ and noted challenges in accessing timely or consistent support from monitoring officers. Survey evidence from project partners suggests that monitoring was more often viewed positively than negatively. Around 61% of respondents rated the monitoring programme as somewhat or very effective, while 24% were neutral and a small minority reported it as hardly effective or not effective at all. A further 7% reported that they did not use the monitoring programme, indicating variation in engagement across projects.

Figure 12: Effectiveness of the monitoring programme

Q25 - You had to provide monitoring data to UKRI: how effective did you find the monitoring programme in supporting the delivery of the project?

■ Not effective at all [0%] ■ Hardly effective [7%] ■ Neutral [24%] ■ Somewhat effective [34%]
■ Very effective [28%] ■ Did not use [7%]



Several project leads described monitoring officers as helpful, encouraging and accessible, particularly where officers were able to build a constructive relationship with project teams. For these projects, monitoring was seen as a normal and acceptable requirement associated with public funding, and not overly onerous.

“The quarterly reviews and other practices were helpful.” - Project Lead

Where monitoring worked well, it was perceived as providing reassurance to funders and a light-touch structure that helped projects stay on track. However, a notable number of participants reported challenges with the monitoring process. Some felt that monitoring was disproportionate to the size and nature of the grant, particularly for partners unfamiliar with Innovate UK processes. Others described the requirements as procedural and there were also concerns about inconsistency and clarity.

A small number of projects received advice from monitoring officers that they felt was misaligned with the agreed scope of their project, creating confusion and additional work. Some respondents reported difficulties accessing timely support, noting limited contact time or delays in feedback, which reduced the perceived usefulness of monitoring. Despite these challenges, monitoring was acknowledged to play a role in bringing partners together and maintaining a level of accountability across consortia. However, many stakeholders questioned whether its contribution extended much beyond project management, particularly in terms of supporting learning, problem-solving or delivery quality.

Taken together, the evidence suggests that while the monitoring function provided basic assurance and structure, its effectiveness varied considerably depending on project context and individual relationships. There is limited evidence that monitoring consistently added strategic or learning value beyond compliance, highlighting a potential area for improvement in future scheme design.

Technical advisor support was valued by those who used it

All projects had access to multiple Technical Advisors with different skillsets, with each advisor delivering a presentation in the early stages of the project, however they were often underutilised. Just over half of survey respondents (55%) reported that they had utilised technical support, with 45% stating that they had not. It is evident that many projects were either unaware that the support was available or unclear about what they covered and often prioritising other forms of assistance, such as external consultants. The difference between availability and use highlights a potential missed opportunity for wider capability building and more consistent technical input across projects. This was echoed in survey feedback, with respondents noting that technical support was not well advertised. Others suggested that uptake may have been higher if advisors had been assigned at the start of projects and had arranged meetings throughout the year, in a similar way to monitoring officers, enabling relationships to be built earlier.

However, projects who did engage with Technical Advisors, described them as helpful in shaping plans and providing expert steer (Figure 12). Project leads stated they provided valuable expertise and direction, feeling like once they had that support from Technical Advisors they did not need to use anyone else. Respondents identified several areas where Technical Advisors were particularly helpful, including providing insight on energy infrastructure, supporting the development of plans that reflected the needs of diverse industries within the cluster, and offering ongoing feedback throughout the plan development process. Survey results reinforce this (Figure 13).

Figure 13: To what extent were Technical Advisors useful

Q24 - To what extent did you find the technical advisors support useful?

■ Not at all useful [0%] ■ Slightly useful [6%] ■ Moderately useful [18%] ■ Very useful [65%]
■ Extremely useful [12%]



Perspectives from Technical Advisors themselves further highlight low engagement, believing this could be due to uncertainty about expectations and roles. Some described providing project management or organisational advice instead of technical input but suggested laying out clear guidance on what Technical Advisors can do and what they can't from the outset may be better. One advisor reported delivering only one day of input out of a planned 20, despite

proactively offering support. This demonstrates the challenge of getting projects to seek advice even if it may be helpful.

“I attended a full workshop and brief presentation about myself, how I could be relevant to projects and what services I could provide... but then the correspondence just went dead.” - Technical Advisor

Delivery partners were generally more positive, with Innovate UK highlighting that Technical Advisors helped reduce reliance on consultants and added value in shaping plans. However, Innovate UK also acknowledged that advisors were underutilised overall, despite being promoted through meetings and events.

Overall, the evidence indicates that Technical Advisors were a high-quality but inconsistently deployed form of support. Where used, they added clear value and were highly rated; however, limited awareness and unclear communication about the role, as well as timing constraints meant that many projects either did not use the support at all or engaged only minimally. This points to a missed opportunity for broader capability-building and reduced reliance on consultants.

Consultants were often used instead of Technical Advisors

Consultants played a significant role in supporting delivery across many LIDP projects, particularly in providing specialist technical input that was not available in-house. Their involvement enabled projects to complete complex analytical tasks within tight timeframes; however, over-reliance on consultants was widely seen as a risk to longer-term capability building and sustainability. Across interviews, there was broad acknowledgement that consultants added value by supplying expertise on topics such as emissions calculations, energy modelling and technical feasibility. In several cases, project leads reported that consultants were essential to progressing work within the short delivery period.

“A consultancy firm helped with calculations and understanding how much power we would need and that was incredibly useful.” - Project Lead

Technical Advisors and delivery stakeholders similarly recognised that many projects did not have the internal skills required to develop comprehensive plans without external support and that some, if not all used consultants to do a large proportion of the work. However, there was consistent concern across delivery, advisory and policy perspectives that heavy reliance on consultants limited the extent to which knowledge and skills were developed and learnt within clusters themselves. Several stakeholders emphasised that where consultants led most of the work, momentum risked dissipating once the project ended. This demonstrates the importance of building capability within clusters to ensure knowledge spillover effects occur and reduce the risk of loss of impetus once the scheme has ended.

“It’s important for the organisations in the cluster to own their own work because otherwise, if they just get a consultant to do a report for them, there’ll be no momentum to take it forward.” - DESNZ Policy and Delivery

This concern links closely to evidence elsewhere in the evaluation on limited sustainability and continuation beyond LIDP funding, with stakeholders suggesting that consultant-led delivery is less likely to result in enduring local capacity or ongoing coordination. There was also a perception among some respondents that consultants were sometimes used in place of technical advisor support, rather than alongside it. In hindsight, some project leads felt that greater use of Technical Advisors could have reduced reliance on consultants and supported more effective knowledge transfer.

“We didn’t use the technical experts in the end and asked consultants instead. In hindsight, we probably should have used the technical experts.” - Project Lead

From an oversight perspective, concerns were also raised about consultant incentives and neutrality, with some stakeholders noting that consultants may bring commercial interests that do not always align with longer-term cluster development or public value.

Overall, the evidence suggests that consultants were instrumental in enabling delivery within the constraints of the programme, but their extensive use represented a trade-off. While consultants helped ensure plans were completed to a high technical standard, over-reliance reduced opportunities for capability building within clusters and may have limited the sustainability of outcomes once funding ended. This highlights the importance of clearer expectations around consultant use, stronger integration with Technical Advisors, and greater emphasis on organisational ownership in future schemes.

Views of Innovate UK’s role in supporting delivery of the LIDP were broadly positive.

Stakeholders recognised the value of Innovate UK’s programme management and engagement, while also highlighting challenges relating to governance, administrative burden and delivery processes. Several project leads and partners noted that Innovate UK support helped projects to progress and provided an important point of contact throughout delivery. Some project leads described the programme as successful overall, emphasising that flexibility in programme design enabled locally tailored approaches.

However, there was widespread concern about the administrative burden associated with Innovate UK systems, particularly among partners unfamiliar with grant processes.

“Some projects had unfamiliarity with working with UKRI. Many of the projects but worried about getting the right answer on forms” – Technical Advisor

Survey and interview evidence consistently described the processes as time-consuming and complex and the projects being unfamiliar with Innovate UK requirements resulted in delays, particularly during early delivery. These delays were seen as particularly challenging in the

context of already tight timescales, and in some cases reduced the effective delivery window for projects. Despite these challenges, project leads and partners acknowledged that Innovate UK support was important in enabling delivery at scale and maintaining programme oversight. However, there was a strong and consistent view that closer engagement from DESNZ policy teams would have strengthened delivery and learning, particularly that greater policy involvement could have improved clarity around expectations, supported implementation and enhanced mutual learning.

The evidence suggests that Innovate UK played an important role in enabling delivery of the LIDP, but that administrative complexity, delays and lack of governance clarity of roles and responsibilities posed challenges for some projects, particularly those with limited experience of grant funding. The findings also highlight an opportunity to strengthen future schemes through clearer allocation of responsibilities, streamlined processes, and closer integration between delivery bodies and policy teams.

There was strong additionality that the creation of clusters and progress made would not have occurred in the absence of LIDP

There is strong and consistent evidence that **progress made by clusters would not have occurred in the absence of the scheme**. Project partners and delivery stakeholders reported that the programme was critical in providing momentum, focus and visibility, enabling dispersed sites to come together, prioritise decarbonisation activity and develop shared plans. Stakeholders emphasised that LIDP added value beyond financial support by creating structure, deadlines and coordination that elevated decarbonisation as a strategic priority. In the absence of LIDP, respondents indicated that similar progress, collaboration and monitoring would have been unlikely to occur through alternative funding streams or existing activity.

Figure 14: Progress in the absence of funding

Q28_1 - "Our project would have made similar progress in absence of LIDP funding"

■ Strongly disagree [59%] ■ Somewhat disagree [34%] ■ Neither agree nor disagree [3%] ■ Somewhat agree [3%]
■ Strongly agree [0%]



Survey findings (Figure 14) found that 93% strongly, or somewhat disagreed, that the projects would have made similar progress in the absence of the LIDP. This indicates strong levels of additionality in the scheme.

Evidence suggests that, prior to LIDP, some organisations were already engaged in related decarbonisation activity through internal strategies, regional initiatives and informal

collaboration networks. A small number had also participated in other decarbonisation programmes or undertaken similar work through commissioned research or consultancy support. However, these approaches were typically limited in scope, organisation-specific, or undertaken on an ad hoc basis, and did not provide the same level of structured, place-based coordination across dispersed industrial sites. While such activity may have supported incremental progress, respondents indicated that it would not have delivered the same degree of collaboration, capability building or shared strategic planning as observed through LIDP.

Survey evidence further supports this, indicating that although many projects had prior decarbonisation plans, these were generally focused on individual organisations or sectors, with limited collaboration across areas and framed around broad Net Zero 2050 strategies rather than coordinated, cluster-level delivery.

Prior plans to the LIDP range from internal strategies for net zero regional initiatives such as the North Northamptonshire to Net Zero (NN2NZ) programme¹³, organisation specific decarbonisation plans which focused on transport and corporate emissions reduction targets, in addition to some consortia previously engaging with established clusters (such as the South Wales Industrial Cluster and the Black Country Cluster). The funding was found to progress with dedicating time and resource to the creation of a plan for stakeholders to work together on. Funding to assist the project leads allowed suitable governance to take place and enable plans to progress. Technical Advisors flagged how important the governance aspect is in order to support decarbonisation, the scheme assisted with getting these in place and wouldn't have necessarily occurred without it.

Evidence indicates that LIDP funding played a **critical enabling role in initiating and accelerating project activity**. While some stakeholders acknowledged that similar work may have been possible through alternative routes, respondents consistently emphasised that funding at the scale and pace provided by LIDP was unlikely to have been secured elsewhere. The programme reduced risk for participating organisations, created a clear rationale for engagement, and enabled concentrated effort within a defined timeframe. In this sense, LIDP funding acted less as a simple financial input and more as a catalyst that emboldened participation, accelerated progress and brought projects to a level of maturity that would otherwise have been difficult to achieve.

"The LIDP has been incredibly helpful and really transformation or in terms of our understanding and what we're doing. We wouldn't have got the [governmental] grants without LIDP". – Project Lead

The LIDP specifically supported some clusters in gaining extra grants which they cited as how this wouldn't have been possible in the absence of the scheme to support greater understanding of the landscape. This supports the view that the LIDP has been a stepping stone for some clusters which wouldn't have occurred in its absence, and some have been able to secure funding for other Innovate UK projects as a result.

¹³ [North Northamptonshire Net Zero Project | NN2NZ](#)

Figure 15: Projects finding funding elsewhere in the scheme's absence

Q28_2 - "Our project would have found funding elsewhere in the absence of LIDP funding"

Strongly disagree [62%] Somewhat disagree [38%] Neither agree nor disagree [0%] Somewhat agree [0%]
Strongly agree [0%]



Survey findings, Figure 15, is also consistent that projects would have struggled to find funding elsewhere in the absence of LIDP funding. It demonstrates 100% disagreeing (strongly or somewhat), that they would have secured funding elsewhere.

"We would not [have found funding] on the scale that was needed, this was the amount that was needed to put together this project. It might have happened, but it was vastly accelerated by that year of concentrated working". – Project Lead

This evidence suggests that the **fund was able to fill an essential gap in cluster and dispersed sites decarbonisation** and supporting early intervention into place-based decarbonisation.

Where the scheme was seen as particularly additional was in **the stakeholder collaboration and knowledge sharing activities that occurred**. The survey found that 79% strongly or somewhat disagreed that the same level of collaboration would have occurred in LIDP's absence.

Figure 16: Collaboration in the absence of the scheme

Q28_3 - "The level of collaboration would have happened without the LIDP"

Strongly disagree [48%] Somewhat disagree [31%] Neither agree nor disagree [7%] Somewhat agree [14%]
Strongly agree [0%]



Whilst a level of collaboration would have occurred in its absence¹⁴ the LIDP enabled a more formal space for this to occur, provided regular opportunities to collaborate and share

¹⁴ The survey found that 81% of project leads had previously interacted with some of the other organisations in their cluster prior to the scheme, however interviews found the extent to this was varied,

knowledge as well as bring in wider project participants who hadn't previously engaged with decarbonisation plans.

“Normally companies trying to [sic] solve these problems in isolation and within their organisations rather than seeking support” – Project Lead

Overall, the collaboration aspect was seen as a key element to the LIDP projects success and was a very valuable element for the project leads and partners.

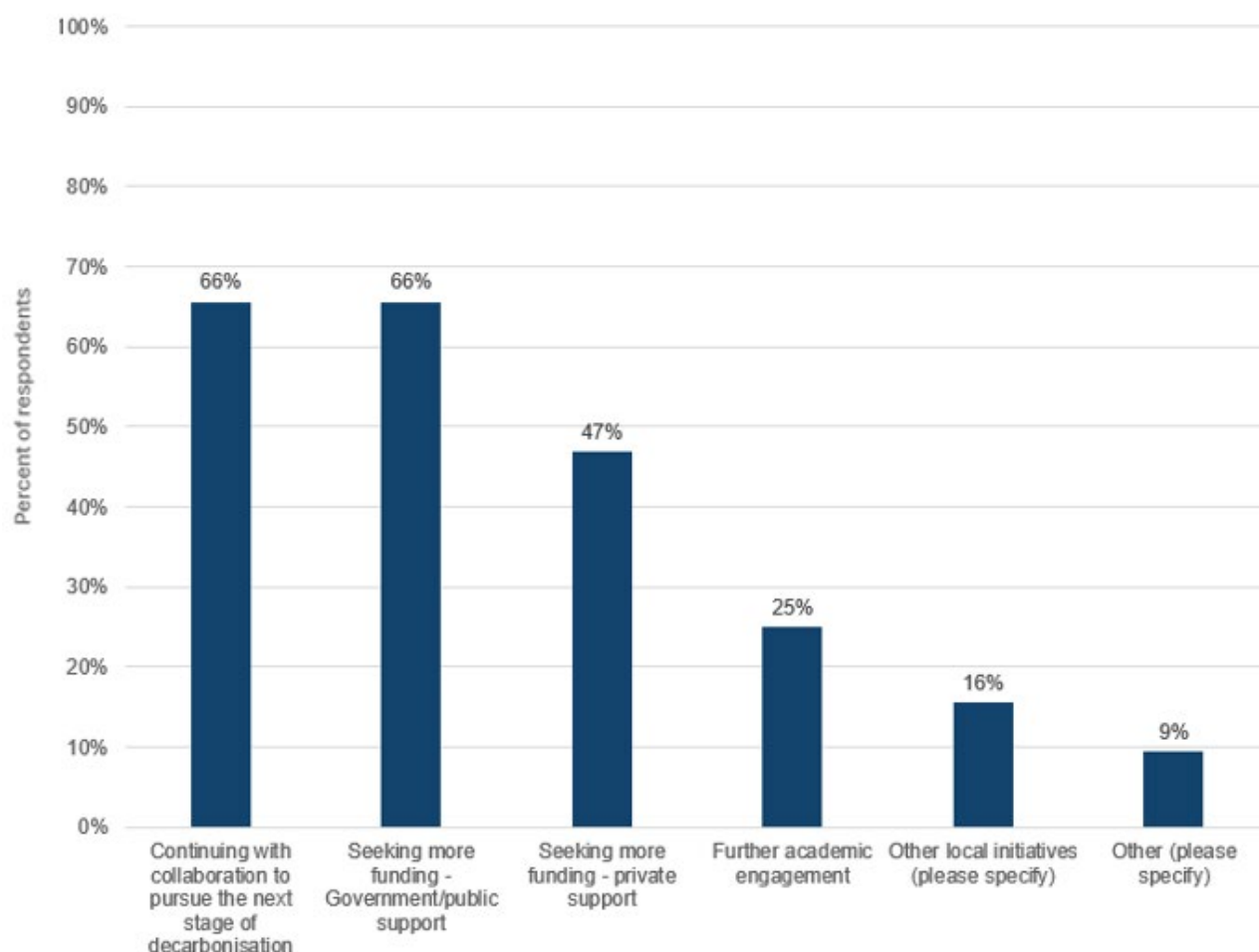
The future of LIDP projects remain uncertain

Evidence suggests that, while LIDP was valued as an effective catalyst for collaboration and planning, most projects struggled to sustain momentum beyond the programme. Stakeholders highlighted a broader de-prioritisation of industrial decarbonisation relative to economic growth, alongside a lack of clarity on next steps and limited follow-on funding. As a result, many clusters were unable to progress plans to implementation, with continuation often dependent on exceptional local leadership or interim funding. There was strong support for future schemes to include clearer post-delivery pathways, phased or follow-on funding, and mechanisms to sustain coordination and collaboration beyond initial plan development.

“Without the LIDP, the commercial organisation and the [university name] would not have been involved, and the consortium would not have been able to organise themselves enough too”. – Project Lead

The survey and interviews (Figure 17) found that there was a **variable number of next steps which clusters were taking since the LIDP has ended**. Clusters were at different stages and levels of confidence about the extent to which they can progress to the implementation stage of the plans. Generally, there was a concern about the move away from decarbonisation in industrial clusters in relation to the political climate and a perceived shift away from net zero and instead the focus on growth. The change in shift from clusters towards a sector focus may create challenges in the clusters seeking further funding and the unique nature of cross sector working which the LIDP has provided. Some project leads noted frustration around a perceived reprioritisation which will affect their clusters continuing to work towards what was set out in the initial plan as industry has lost focus on decarbonisation instead focusing on demand.

Figure 17: next steps for the LIDP projects¹⁵



Many projects had no further funding set up following the LIDP and numerous projects commented on the disappointment of the end of the scheme due to this.

“It feels like after we delivered our outputs, we’ve had nothing since...it’s regrettable that these new tools will wind down and be forgotten over the next six months” – Project Lead

The survey found that projects were seeking public funding (66%) and/or private funding (47%) after scheme end, however success in securing follow-on funding was variable. Where projects were able to progress towards implementation, this was often supported by a combination of local factors, including engaged local authorities, pre-agreed follow-on funding, or individual leadership. In a **small number of cases, projects secured additional funding** from local or combined authorities to maintain coordination and momentum, as well as from other government departments, often using LIDP outputs as a foundation for new bids. Some

¹⁵ This question was multiple choice so respondents could select as many options as possible to reflect the next steps

projects also progressed into further Innovate UK programmes or secured private sector contributions, and in a limited number of instances adopted blended funding models combining public and industry funding. LIDP outputs were also used to leverage local growth and climate-related funding streams.

However, this was not widespread, and where additional funding was obtained it was frequently short term, uncertain or insufficient to support full implementation. Many clusters relied on interim local authority funding, with concerns about funding ending and no clear responsibility for sustaining activity. Overall, **while LIDP enabled some leverage of further funding, the absence of a clear, coordinated post-programme funding pathway has limited progression from planning to delivery.**

It was cited that further funding was needed to support the continued collaboration, ensure support for continued governance and cover the costs of a project lead, as well as to implement plans and begin the deployment of decarbonisation projects.

In the absence of immediate further funding, most **projects reported significant difficulties in sustaining momentum** beyond the LIDP. Stakeholders consistently noted that there were no comparable programmes to replace LIDP support, and that without additional central government funding many activities could not continue. Even larger or more established clusters struggled to maintain progress once funding ended, due to the loss of dedicated resource, expertise and coordination capacity. Overall, the evidence suggests that without follow-on support, or multi year funding available, continued delivery was largely dependent on exceptional local effort rather than being self-sustaining.

Evidence suggests that **collaboration initiated through the LIDP continued beyond the programme in some cases**, with partners maintaining regular contact and joint working where there was a clear ongoing benefit. However, sustaining collaboration was challenging in the absence of dedicated resource, governance and leadership. While there was appetite among organisations to continue working together, stakeholders highlighted that effective collaboration depended on having a coordinating body or lead organisation to drive activity. Without the LIDP's funding and governance structures, several clusters reported difficulties in maintaining engagement and momentum, indicating that collaboration was not consistently self-sustaining without continued support.

The findings point to a distinction between collaboration for decarbonisation and collaboration more generally. Just 28% of respondents reported ongoing collaboration to pursue the next stage of decarbonisation, although 55% somewhat agreed in a subsequent question that collaboration would continue, even if not explicitly focused on further decarbonisation efforts.

Figure 18: Collaboration continuity post-LIDP

Q28_4 - "The collaboration within my project will continue post LIDP"

■ Strongly disagree [0%] ■ Somewhat disagree [3%] ■ Neither agree nor disagree [14%] ■ Somewhat agree [55%]
■ Strongly agree [28%]



Post-LIDP many are continuing to collaborate through activities such as regular calls with partners, continued coordination with the combined authority and continuous linking with academics. The scheme supported collaboration and relationship building and this has continued however often on a smaller, more ad-hoc scale since the scheme ended. For some, although the LIDP has ended or reduced in scale, a clear commitment to working together has been set to find circular economy opportunities. Some had contingency plans to support additional work to overcome the barrier despite no further funding.

"We handed over the plan to one of the business partners and helped them set up a community website that they could use for further pieces of work". – Project Lead

In some cases, whilst continued collaboration was an aim, projects have cited challenges achieving this due to there no longer being a lead to continue to push for it. Due to the nature of collaboration across a range partners and participants with complex needs, the resourcing challenges have meant that further collaboration has been stifled.

"It's not a single organisations responsibility to being together all the different partners. You need someone to initiate that level of collaboration and coordination. Theres appetite for that kind of work but no one wants to lead it". – Project Lead

Several projects continued to build on LIDP outputs through **further data collection, feasibility work and skills-related activity**, using the plans as a baseline evidence base. This included ongoing surveys, updated skills assessments, local training initiatives and additional feasibility studies to support future delivery. These projects which continued relied on proactive individuals within the cluster to further this work. Stakeholders highlighted that LIDP improved the granularity of evidence available on industrial decarbonisation challenges, particularly among SMEs, and strengthened understanding of sector-specific opportunities and constraints. However, the extent to which this evidence could be developed or acted upon was constrained by limited follow-on funding, with several projects noting that progress could have been accelerated had further support been available.

"We are continuing monitoring onwards by directly continuing the work the consultants did". – Project Lead

The survey found 11% were continuing further academic engagement post LIDP to further support knowledge sharing. Some project leads mentioned looking to feasibility studies and

utilising the baseline data collected as part of the LIDP plans to support local research and explore further ways decarbonisation in the cluster could be supported.

“We’re planning on updating our green skills needs assessment and gap analysis locally. We’re also going to create an industrial decarbonisation lecture series and training modules, partnering with higher education colleges in the area”. – Project Lead

Overall, evidence suggests that the LIDP was unable to create self-sustaining clusters

A self-sustaining cluster is one where partners continue to collaborate and progress industrial decarbonisation activity beyond the end of the LIDP, without ongoing central government funding. This includes having the leadership, coordination and resources needed to maintain momentum and take plans forward independently.

It is important to note that creating self-sustaining clusters was not an explicit objective of the LIDP, and this finding should therefore be interpreted in line with the programmes ToC as reflecting the intended scope of a time-limited planning intervention rather than a direct programme failure. However, financial self-sustainability remains critical to long term impact and should be more explicitly embedded in future programme design and ToC, including consideration of how collaboration, support and delivery models enable sustainable cluster development and decarbonisation.

As already raised in the report, whilst some elements of collaboration and shared understanding were expected to continue beyond the scheme, **most stakeholders did not consider the clusters to be financially or organisationally self-sustained without continued government involvement.** Participants highlighted limited willingness or ability amongst partners to commit their own resources, alongside challenges in coordinating more ambitious collaborative activity in the absence of funding or a lead organisation to move forward. There were only isolated examples of clusters being able to continue independently, indicating that self-sustainability was not achieved consistently across the portfolio.

It should be noted that as set out in the ToC, assumptions were made that projects would be able to secure further funding through alternative means to support clusters becoming self-sustaining. The LIDP was designed to support projects in creating the initial plans, understand barriers and collaborate across the cluster to support this, rather than having the ability to create self-sustaining clusters with the LIDP support in isolation.

“Project struggled even the larger industrial areas to carry on the momentum that was generated as a result of the funding. Partly because now they don’t have the funding but also, they no longer have the expertise and resource”. – Innovate UK

Figure 19: The LIDP created a self-sustaining cluster

Q28_5 - "The LIDP has helped create a self-sustaining cluster"

■ Strongly disagree [7%] ■ Somewhat disagree [17%] ■ Neither agree nor disagree [45%] ■ Somewhat agree [28%]
■ Strongly agree [3%]



The survey (Figure 18) found that 45% of project partners neither agreed nor disagreed that the LIDP helped create a self-sustaining cluster. This confirms the mixed views that a self-sustaining cluster was created because of the scheme.

Evidence suggests that those who were more likely to believe there were some elements of self-sustaining were the projects that had been able to find suitable funding elsewhere and continue with a resource package dedicated to co-ordinating the implementation of the plan. These projects were bias towards those plans from devolved governments and where there was an active local authority and were identified by Innovate UK and policy to only be around 3 or 4 out of the 13 projects who have been able to formally continue the work.

"The partners think 'what's in it for me?' they know they need to collaborate but getting money in is difficult. Everything is so uncertain as it's all very far in the future". – Project Lead

As previously mentioned, there was a strong reliance on government support continuing or clusters seeking private or other public funding in order to continue and get to the point of being self-sustaining. The absence of further support or project's ability to secure funding through other means impacted the longevity of projects and the move towards implementation of plans. Some project leads expressed that they assumed there would be a further funding package made available to support the next stage which has impacted progress. In future, schemes aim to be self-sustaining and be supported to gain resilience in finding further funding packages outside of government grants and other schemes to avoid this.

Although the LIDP did not consistently result in self-sustaining clusters, evidence does suggest that the programme was effective in stimulating decarbonisation activity across dispersed industrial sites within participating clusters. 41% of project partners somewhat agreed that the LIDP programme helped stimulate decarbonisation of dispersed industrial sites within their cluster. This is likely due to the evidence around how the LIDP supported progress against its core objectives, particularly in enabling the direct development of decarbonisation plans, strengthening decarbonisation planning skills and capability, and improving organisational understanding and evidence on decarbonisation. These outputs helped bring industrial sites and partners together, improve collaboration, and clarify potential pathways for decarbonisation within clusters.

While, in most cases, plans have not progressed to implementation beyond the LIDP period, the **programme played an important role in raising awareness, building capability and**

laying the groundwork for future action by providing a clearer strategic direction for decarbonisation at both cluster and site level.

Overall, supporting cluster decarbonisation may be more sustainable in scenarios where they are implemented within a wider organisational structure which is permanent and therefore have ongoing capacity and resources to carry out the work without relying on one-off funds. For example, it is notable that projects which have been able to continue mostly sit in areas where there is a devolved government lead and/or a local authority with resources embedded to implement plans.

However, whilst overall evidence points towards clusters not being able to be financially self-sustaining, in **some instances partners were able to maintain coordination and continue elements of decarbonisation activity independently. Whilst this may indicate a degree of self-sustainability**, this was largely supported by organisational capacity and proactivity in continuing to seek out ways to further the plans into implementation.

Figure 20: Views on how the LIDP supported the stimulation of decarbonisation in dispersed sites

Q28_6 - "The LIDP programme helped stimulate decarbonisation of dispersed industrial sites within your cluster"

■ Strongly disagree [3%] ■ Somewhat disagree [3%] ■ Neither agree nor disagree [38%] ■ Somewhat agree [41%]
■ Strongly agree [14%]



Theory of change assessment

The evaluation examined the extent to which, and how, the LIDP delivered the outputs and outcomes set out in its Theory of Change (ToC) in Figure 2. Overall, the evidence indicates that the programme **partially delivered the intended outputs and early outcomes**, consistent with its design as an enabling, planning-focused intervention.

Delivery of inputs was successful. Funding was awarded and deployed as intended (boxes 1–4), engagement activity took place (5), and there is consistent evidence that the programme enabled local partners to develop strategic decarbonisation plans (11). While optional Innovate UK -provided technical support was taken up by only a minority of projects (6), most consortia accessed alternative technical expertise, primarily through external consultants. Key barriers identified in the ToC—particularly poor coordination, capability gaps and limited access to shared evidence for dispersed sites (7–9)—were largely addressed during programme delivery. However, stakeholders questioned the extent to which learning is transferable across projects, given the diversity of cluster contexts.

The programme delivered its core tangible outputs (10–12), including the formation of cluster consortia, strategic decarbonisation plans, and associated evidence generation through monitoring and reporting. However, **sustainability of these outputs remains uncertain.**

Consortia continuation beyond the programme was heavily dependent on further funding, and dissemination beyond publication on GOV.UK was limited and inconsistent.

Evidence on intermediate outcomes is mixed. Collaboration and decarbonisation planning capability increased across most projects (14 and 16), but **progression from planning to implementation (15) has largely stalled**, driven by persistent funding, cost and infrastructure constraints. Only a small minority of clusters were able to advance to the next stage. **There is limited evidence of wider spillover effects**, such as uptake by non-funded initiatives (17) or additional public or private investment (18).

At this stage, evidence of end impacts—specifically accelerated decarbonisation of dispersed industrial sites (19)—is weak and it may be too early to draw firm conclusions. Current evidence suggests that, without further policy intervention or investment, implementation is unlikely to be brought forward at scale. As such, wider DESNZ and cross-government objectives linked to Net Zero, innovation and growth are **unlikely to be realised through LIDP alone**, reflecting an underlying ToC assumption that subsequent funding and complementary delivery pathways would be in place.

Most ToC assumptions relating to programme setup broadly held. There were sufficient resources to establish projects, stakeholders convened effectively into consortia, and programme funding was generally adequate to produce credible bids and plans. While uptake of Innovate UK Technical Advisors was lower than anticipated, technical expertise was nevertheless accessed through contractors. Assumptions regarding the production of replicable plans were also broadly met.

Assumptions relating to **dissemination and wider learning were weaker**. It remains unclear whether published plans and associated learning were sufficient to support wider uptake or application in other dispersed site contexts, or whether non-funded groups were at a comparable stage of readiness to act on this evidence. While collective decarbonisation planning did take place, there is little evidence that it generated significant economies of scale or cost reductions, suggesting that information barriers were reduced more effectively than financial ones. However, it is important to note that this would have been a challenge to achieve due to the scale and focus of funding available.

Lessons Learnt

The evaluation highlights several lessons across the report for the design of future industrial decarbonisation programmes. Key lessons are set out here,

Lesson 1: Design accessible, proportionate and well-supported application processes

Evaluation evidence found LIDP applications were often perceived as burdensome, particularly for less experienced applicants and complex partnerships with tight timelines exacerbating these challenges. At the same time, due diligence requirements were understood as necessary when allocating public funds. Proportionality (e.g. Scaling requirements to project size and complexity), clearer guidance and stronger pre-application support would improve accessibility and inclusivity without undermining assurance.

Lesson 2: Retain and strengthen early engagement phases and ongoing support models

Structured engagement was viewed as a core strength of the LIDP, supporting partner formation, bid quality and collaboration across dispersed sites and should be embedded in future policy design. However, support mechanisms were not consistently understood or utilised, particularly technical advisors, whose uptake was limited despite being valued where used. Evidence indicates that future schemes should embed engagement throughout the lifecycle (pre, during and post application), clearly define support roles and ensure support is timely, visible and appropriately resourced to support beneficiaries.

Lesson 3: Embed knowledge sharing and collaboration as core delivery mechanisms

The LIDP demonstrated strong additionality in enabling collaboration and knowledge sharing, which were central to achieving scheme objectives and building capability across clusters. However, evidence shows that knowledge sharing and dissemination were often limited or relied on proactive individuals and spillovers beyond participating clusters were constrained. Future programmes should explicitly design for collaboration and knowledge sharing through structured dissemination and clearer expectations to maximise system-wide learnings and impact.

Lesson 4: Align programme design with realistic timelines, governance and delivery structures

Compressed timelines and delivery constraints (driven in part by financial timelines) limited mobilisation, engagement and application quality. In addition, variation in governance clarity, coordination and delivery partner support affected consistency across projects. Whilst flexibility

in LIDP design enabled a diverse range of clusters to participate, it also reduced consistency in outputs and expectations. Evidence suggests that future schemes should allow sufficient lead-in time, set clearer requirements upfront and ensure robust governance and coordination mechanisms whilst maintaining appropriate flexibility.

Lesson 5: Provide clear pathways beyond planning and address wider system barriers

The most significant constraint on outcomes was the lack of follow-on funding and wider enabling conditions to support implementation. Whilst the LIDP successfully supported planning and early stage coordination as its main objectives set out for it to do, most clusters were unable to progress to implementation or become self-sustaining without further support. This reflects broader systematic barriers, outside of the aims of the LIDP, including high capital cost, infrastructure constraints and policy uncertainty. Future policy approaches should aim to provide clear post-funding pathways, integrate complementary policy levers and support transition from planning to delivery to realise long-term decarbonisation outcomes.

Conclusion

Overall, the LIDP met its scheme objectives and was viewed by stakeholders as an important intervention to support dispersed industrial sites and clusters in their decarbonisation journey. The programme filled a clear policy gap and was viewed positively in terms of its objectives and additionality.

“There is nothing out there similar to this programme, I really feel like it filled the gap” – Project Lead

The programme made a clear and credible contribution to its intended short term outcomes as an enabling, planning stage intervention. Evidence shows that the scheme supported the formation of local industrial clusters, enabled the development of credible, context-sensitive strategic decarbonisation plans and strengthened collaboration, capability and shared understanding across dispersed industrial sites. Consistent evidence of additionality suggests that would have been unlikely to occur or would have occurred on a smaller or slower scale in the absence of the scheme.

Consistent with its ToC, the LIDP was not designed to contribute to longer term decarbonisation outcomes directly such as emissions reductions within the lifetime of the scheme. Instead, it acted as an enabling intervention, contributing indirectly to decarbonisation through improved coordination, capability and planning. , The evidence indicates that the causal mechanisms set out in the ToC broadly operated as expected in the short-term. Funding, engagement and light-touch support created the conditions for coordination, knowledge sharing and improved planning capability which in turn supported the production of strategic plans.

However, there is greater uncertainty around medium-to long-term outcomes, reflecting both the intended limits of the scheme’s design and wider system constraints. While the programme helped clarify infrastructure, technology and further funding requirements, persistent structural barriers such as lack of follow-on funding, infrastructure constraints and wider market and policy conditions have limited progression from planning to delivery for most clusters and are largely outside of the direct control of the scheme but are critical to translating planning into actions.

Application and support experience was mixed. Some stakeholders found the application and reporting processes proportionate and expected for a government grant, while others, particularly those less familiar with public funding mechanisms, reported the process as burdensome. The engagement phase was consistently valued and supported collaboration within and between clusters, reinforcing its importance as a design feature to retain in future schemes. Clearer articulation and promotion of technical support roles, alongside more consistent expectations around their use, would strengthen future delivery and reduce reliance on consultants.

At this stage, evidence of end impacts, specifically accelerating decarbonisation of dispersed industrial sites is limited and it may be too early to draw firm conclusions. While all plans were published, dissemination and wider knowledge transfer beyond the participating clusters were

inconsistent, constraining the extent to which learning has informed wider decarbonisation activity. The research also highlights an implicit reliance on the availability of subsequent funding and delivery pathways. While further funding remains important, the findings suggest that implementation will also depend on a stronger and more coherent set of complementary policy, regulatory and infrastructure levers to support decarbonisation pathways across dispersed industrial landscapes.

On balance, the evidence indicates that the LIDP can be considered an effective early-stage intervention that laid important groundwork for industrial decarbonisation, whilst also demonstrating time-limited planning interventions require clear pathways, sustained support and complementary policy levers if they are to translate into longer term impact. It illustrates the value of time-limited, collaborative planning interventions, whilst also underlining the need for clearer routes to implementation and key infrastructure barriers which are faced, if early intervention is to translate into sustained delivery and impact.

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