CBI Economics

Energy&Climate INTELLIGENCE UNIT

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THE RACE FOR NET ZERO:

The UK net zero economy and the transition to a competitive future

June 2026

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Foreword – Energy and Climate Intelligence Unit

British scientists first distilled the concept of net zero – simply put, you need to stop adding more emissions to the atmosphere (than are sucked back out) otherwise temperatures won't stabilise; you have to stop adding to the problem or you won't stop climate change.

As Scottish scientist Prof Jim Skea, chair of the Intergovernmental Panel on Climate Change and the most senior climate scientist on the planet, recently put it: "It's chemistry and physics that if you want to stop global warming, you have to achieve net zero emissions."

This British science, that scientific fact, has spawned a global race to cut emissions. When countries and US States committed to net zero are combined, 84% of global GDP is covered. This year will mark five years since the Glasgow COP climate conference when the UK helped kick-start the global drive to net zero. Now more than 1,200 of the world's largest 2,000 companies have a net zero commitment.

Reaching net zero emissions means, over time, burning ever less oil and gas, but with the second oil and gas crisis in just a matter of years, the transition is now also generating energy independence and providing insulation from price volatility. The IMF pointed out the UK's high dependence on gas for both power generation and heating meant it was particularly badly hit by the first gas crisis. The wind and sun reaching the UK isn't affected by a blockade of the Straits of Hormuz.

The British public, like in many parts of the world, is voting with its feet with a surge of interest in solar panels, EVs and electric heat pumps. In 2025, British wind farms squeezing gas from the grid, likely reduced wholesale electricity costs by a third. But to continue this kind of progress requires investment, which in turn is an engine of economic growth.

What underpins all of this, the economic growth, the energy security, the efforts to stop climate change, are over a million UK workers and more than 20,000 small businesses – the unsung heroes of the net zero economy.

The UK is now more than halfway to reaching net zero emissions thanks to their efforts, in turn helping to boost the UK's energy independence.

But complacency or trying to stand still isn't an option as the world grows net zero industries – indeed it is a recipe for decline. Around 80% of the cars we manufacture are exported to a world that is increasingly buying EVs – global sales of petrol cars have peaked. As seemingly have China's own emissions thanks to investments in clean energy – coal power emissions are in decline.

Restabilising the climate is fundamental to the economic activity that sustains livelihoods. Next year is set to be the hottest year on record as climate change combines with El Nino. England has seen three of its worst harvests on record in the past five years. Without reaching net zero emissions, the UK is at risk of climate tipping points such as the collapse of Atlantic currents that could radically transform the UK's weather challenging our ability to grow food.

There should be great pride in the communities right across the country, from Hull to the Central Belt and Manchester, in the importance of the work they do in driving towards net zero.

Pete Chalkley

Director, Energy and Climate Intelligence Unit

Foreword – CBI Economics

The domestic and international political landscape has shifted significantly since we last partnered with the Energy & Climate Intelligence Unit to assess the contributions of the net zero economy. But while the politics may have evolved, the economic story has remained consistent and is now stronger than ever.

The UK's net zero economy is now a major part of the national industrial base. It supports more than a million jobs and generates over £100 billion in economic value, with activity embedded across energy, manufacturing, construction and high-value services.

Crucially, this is not being driven by a small number of large projects alone. It is underpinned by tens of thousands of businesses, predominantly small and medium-sized firms, operating across the country. From installers and engineers to manufacturers and specialist service providers, these businesses are the foundation of a net zero economy that is both broad-based and deeply embedded.

What is increasingly clear is that this transformation is being delivered through a network of regional clusters. From the Central Belt in Scotland and the North East's energy economy, to industrial decarbonisation in Yorkshire and the Humber and the Midlands, and the concentration of finance, advisory and project development in London and the South East, the energy and climate transition is reshaping the UK's economic geography.

This transformation is being underpinned by a substantial pipeline of investment. The UK has around £455 billion of energy infrastructure in development across 262GW of capacity, spanning offshore wind, solar, hydrogen and energy storage. Across the country, this is translating into real projects: large-scale offshore wind developments such as Dogger Bank and Berwick Bank, grid-scale battery storage in Yorkshire, and hydrogen and industrial decarbonisation projects in industrial heartlands. These are not future ambitions – they are already shaping local economies, supply chains and labour markets.

At a time when investment across parts of the wider economy remains subdued, the net zero transition stands out as a major source of new investment. It is driving demand across supply chains, supporting high-productivity jobs, and creating opportunities in communities across every nation and region of the UK.

But this opportunity is not guaranteed. The global race for clean energy investment is intensifying, and the UK's ability to capture value and strengthen domestic resilience will depend on its ability to convert this pipeline into delivered projects. High electricity costs and wider competitiveness pressures risk slowing progress at a critical moment.

The politics of net zero may be fragmenting, but the economic case has never been clearer. The transition is already driving investment, growth and economic transformation across the UK. With the right policy framework, it can go further – strengthening competitiveness, supporting high-value jobs, and securing long-term economic resilience.

Louise Hellem

Chief Economist, Confederation of British Industry

Disclaimer

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Executive summary

The UK's transition to net zero is reshaping the structure of the economy. What began as a decarbonisation challenge has evolved into a system-wide economic transformation, influencing how energy is produced, how industries operate, and where economic activity is located. This report assesses the net zero economy's scale, structure and economic significance, and its contribution to competitiveness and regional investment.

- **The net zero transition is economically material.** The net zero economy is now a significant component of the UK's industrial base, generating around £105 billion in Gross Value Added (GVA) and supporting 1.1 million jobs across the economy. Of this, £36.7 billion and 308,000 jobs are directly attributable to net zero companies, with the remainder supported through supply chains and wider economic activity.
- **The sector has strong multiplier effects**. For every £1 of value generated directly, a further £1.85 is created in the wider economy, reflecting deep integration across industries. Net zero activity is therefore not isolated to energy production, but extends into manufacturing, construction, professional services and finance.
- **A high-productivity source of growth.** Net zero-related activity is characterised by high productivity and high-value employment. Jobs in the sector generate on average £119,300 in GVA per full-time job, around 48% above the UK average, and are associated with an 11% premium on UK average wages.
- **A broad and entrepreneurial business base.** The net zero economy is underpinned by a large and dynamic business population, comprising of 23,500 active companies. The sector is overwhelmingly SME-led, with over 96% of firms classified as small or medium-sized enterprises.
- **A geographically distributed economy.** Investment in the energy and climate transition is happening across all regions and nations of the UK, supporting jobs and value creation in every part of the country. While the largest absolute contributions are concentrated in major economic centres such as London and the South East, the relative importance of net zero is highest in industrial and energy-focused regions, including Scotland, Yorkshire and the Humber, Wales and the East Midlands.
- **A substantial investment pipeline.** The UK's transition is underpinned by a significant pipeline of energy infrastructure investment, comprising approximately 262GW of capacity and £455 billion of potential investment. Around two-thirds of this pipeline is already in active development or under construction, indicating both strong forward momentum and the scale of delivery required.

Realising these opportunities critically depends on policy stability and economic conditions that enable sustained investment to maintain the UK's ability to translate ambition into delivery at scale.

Introduction

The UK's net zero transition is already reshaping the structure of the economy itself and is no longer a specialist policy agenda. What began as a decarbonisation challenge has evolved into a system-wide economic transformation, influencing how energy is produced, how industries operate, and where economic activity is located. As this transition accelerates, it is increasingly central to the UK's competitiveness, productivity and regional economic balance.

This report examines what the net zero economy means in practice for the UK as a driver of structural change across sectors and places. It explores how net zero-related activity is embedding itself within the industrial base, how it is reshaping patterns of investment and job creation, and how it is altering the UK's position in an increasingly competitive global market for clean technologies and low-carbon production.

Recent geopolitical developments have brought renewed focus on energy costs and security. The escalation of conflict in the Middle East has contributed to significant volatility in global oil and gas markets, with resulting impacts on UK households and businesses. While this report does not model energy price dynamics, these developments underline the continued exposure of the UK economy to international fossil fuel markets.

In this context, the transition to a more domestically generated, low-carbon energy system is increasingly not only an environmental objective, but also a means of improving long-term energy security and reducing exposure to external price shocks. At the same time, policymakers face near-term trade-offs in managing affordability and competitiveness, particularly for energy-intensive sectors. Central to this are questions over where the investment required comes from and what role energy users play in funding the transition.

Against this backdrop, the net zero economy presents a significant economic opportunity, alongside important near-term challenges to navigate. It offers the potential to strengthen the UK's competitive position through high-productivity sectors, innovation and inward investment, while also supporting more geographically distributed growth. Realising these benefits depends on the pace and coordination of investment, the resilience of supply chains, and the policy environment shaping business confidence.

Overview of this study

CBI Economics first defined the net zero economy in 2022 with the help of The Data City, identifying businesses related to this activity using The Data City's net zero RTIC (Real-Time Industrial Classifications) – a substitute for the more traditional Standard Industrial Classification (SIC) codes that official statistics rely on. The net zero RTIC is made up of 14 sub-sectors; for more information on how The Data City defined the net zero RTIC, please see our accompanying **Technical Appendix**.

There are 23,500 net zero registered companies in the UK with reported turnover and employees, according to this definition. In quantifying the scale and contributions of the net zero economy, we have taken into consideration not only the GVA and the jobs directly associated with these businesses, but also the activity in their supply chains and the induced effects from their employees' spending which are supported specifically by their net zero activity.

Since the release of our first report, CBI Economics and The Data City have continued to enhance and refine the methodology used to identify net zero activity and estimate its economic contributions. The underlying RTIC taxonomy has been updated to better reflect the evolving scope and structure of the net zero economy, incorporating new activities and improving firm identification. This means the results are not directly comparable with those published in previous editions. For a full breakdown of these updates and their implications, please refer to the accompanying **Technical Appendix**.

This analysis is comprised of three chapters:

- **Chapter 1: The UK's net zero economy.** This chapter showcases the scale of the net zero economy at a UK level, including a breakdown of the net zero sector, employment contributions and the investment pipeline associated with renewables.
- **Chapter 2: The regional contributions of the net zero economy.** This chapter focusses on the regional profile of the net zero economy and how its contributions differ between regions. We also discuss how the net zero economy is boosting regional productivity.
- **Chapter 3: Analysing the net zero economy in local areas.** This chapter provides a detailed analysis of 'hotspots' – areas with high concentrations of net zero activity – and examines their impact at a local and national level.

The UK's net zero economy in 2025

The UK's net zero economy is now a significant and embedded component of the national industrial base, contributing materially to economic output, employment and productivity. Its impact extends beyond core energy sectors, with activity distributed across supply chains, services and infrastructure, reflecting a system-wide transformation of the economy. The following key findings set out the scale, structure and economic contribution of the net zero economy, alongside its role in supporting growth, competitiveness and investment across the UK.

Key Findings:

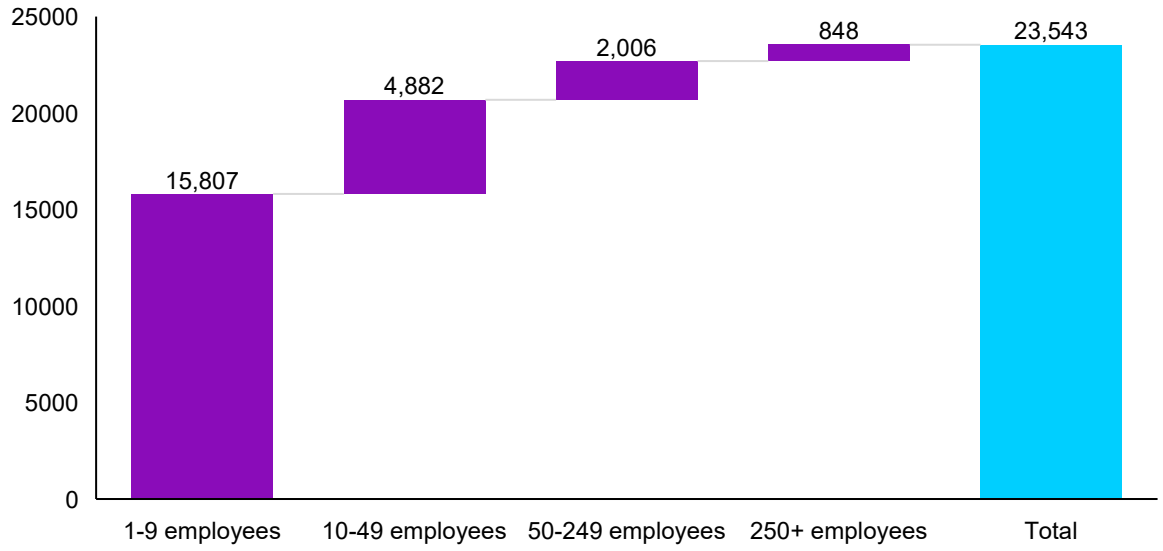
- The net zero economy generated **£105 billion in GVA** for the UK economy, with £36.7 billion generated directly by net zero businesses, £51.2 billion generated through the supply chain and £16.8 billion generated through induced economic activity.
- For **every £1** in value generated by the net zero economy **a further £1.85** is generated in the wider economy.
- The net zero economy supported employment equivalent to **1.1 million full-time jobs**, with 308,000 supported directly by the activity of net zero businesses, a further 520,000 being supported in the supply chain and 234,000 through the wider economy.
- Jobs supported by net zero businesses were **48% more productive than the UK average**, generating £119,300 in economic value per full-time job. This led to net zero economy jobs generating an average of £43,142 to a full-time worker, 11% higher than the UK average wage.
- With over **96% of firms classified as SMEs**, the UK's net zero economy is underpinned by a deep and entrepreneurial business base - strengthening supply chains, supporting innovation, and enhancing the UK's competitive position in a rapidly expanding global market.
- The UK's renewable energy pipeline represents a **£455bn investment opportunity across 262GW of capacity**, with two-thirds already in active or construction phases, highlighting both the value and scale of development required to deliver clean power.

Characteristics of the net zero business population

Following refinements to the net zero RTIC, the Data City recognises 32,500 registered companies across the UK to be within the definition of net zero. Of these, there were 23,500 reporting both turnover and reporting at least one employee, forming the core population used in this analysis. The remaining 9,000 companies report no employees and may include holding companies or firms yet to report employment data; these are therefore excluded to ensure the analysis reflects the active economic footprint of the sector.

As shown in **Figure 1**, the net zero economy is overwhelmingly SME-led. Of the 23,500 businesses included in the analysis, 96.4% (22,700 firms) are small or medium-sized enterprises. This highlights the strong role of smaller firms in driving activity across net zero supply chains. At the same time, the relatively higher share of larger firms compared to the wider business population reflects the presence of capital-intensive activities, particularly in energy generation, infrastructure and system delivery, where scale and investment capacity are critical.

Figure 1: Size distribution of net zero businesses



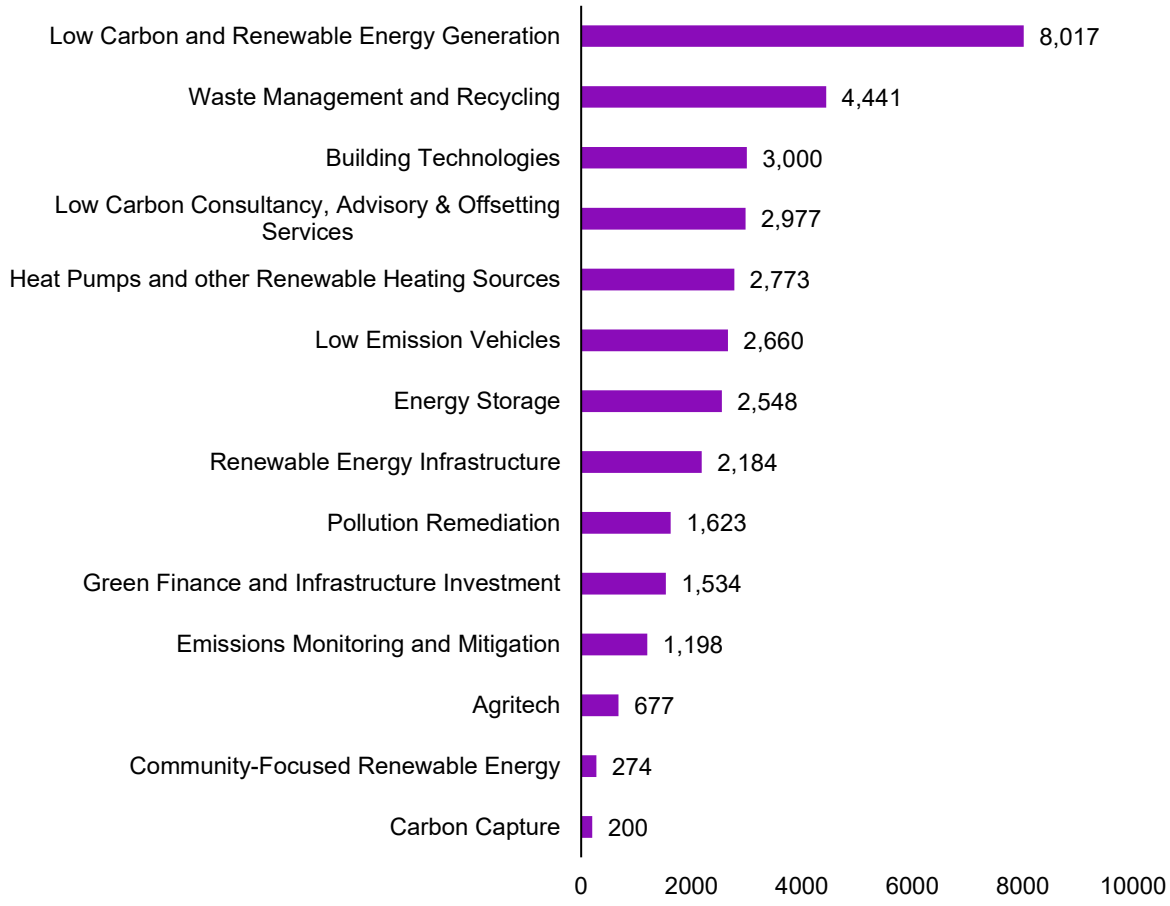
Source: The Data City (2026)

The age profile of firms further illustrates the dynamism of the sector. Nearly 48% of companies have been established within the past decade, and 20% since 2020, indicating sustained entrepreneurial entry and business formation. This reflects the continued expansion of markets linked to clean energy, environmental services and enabling technologies, and suggests that the net zero economy remains a source of new and evolving economic activity.

In terms of sector composition, renewable energy continues to underpin the net zero business population. The Low Carbon and Renewable Energy Generation sub-sector is the largest within the RTIC framework, comprising 8,020 companies – almost double the size of the next largest sub-sector, Waste Management and Recycling (4,440 businesses). This is followed by Building Technologies (3,000 businesses), Low Carbon Consultancy, Advisory and Offsetting Services (2,980 businesses), and Heat Pumps and other Renewable Heating Sources (2,770 businesses).

This distribution highlights both the central role of energy generation within the net zero economy and the breadth of supporting activity across construction, professional services and low-carbon technologies. **Figure 2** below sets out the full business population across the 14 sub-sectors that make up the net zero economy.[1]

Figure 2: Sub-sector distribution of the net zero business population



Source: The Data City (2026)

[1] Please note the sum of the business counts for each sub-sector will not equal the total number of businesses as some business operate in more than one sub-sector

Over £100 billion in GVA and 1.1 million jobs are supported by net zero related activity

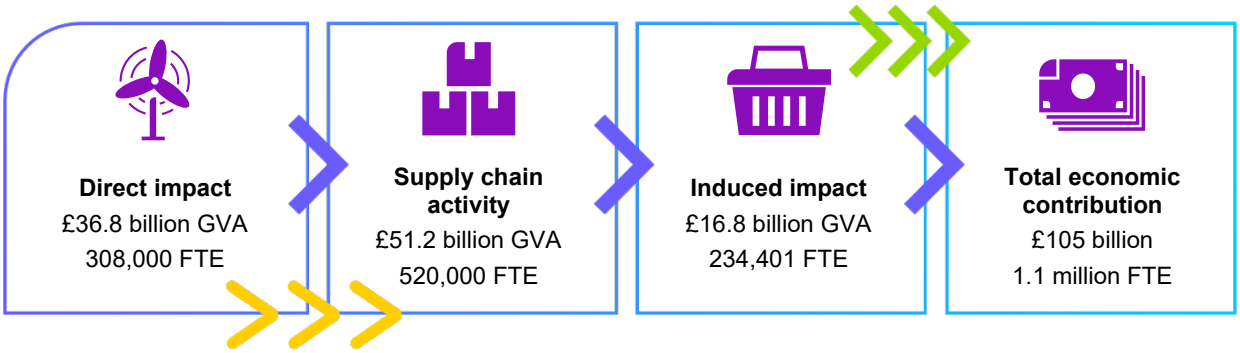
The 23,500 active companies in the net zero economy directly contributed £36.7 billion to the UK economy, accounting for 1.3% of the total UK Gross Value Added (GVA). This contribution surpasses that of the Scientific R&D sector (£29.5 billion) and the Architectural and Engineering sector (£36.2 billion). Activities by net zero businesses also directly supported 308,000 FTE jobs (0.9% of total UK employment), which is twice the number of FTE jobs supported by motor vehicles, trailer and semi-trailer manufacturing (153,000) over the past year.

To understand the full value of the UK's net zero activity, it is important to look at its relationship with the wider economy through its knock-on effects and linkages with other sectors. This covers the spending with UK suppliers, as well as the spending of net zero and supply chain employees. For example, manufacturers of electric vehicles need a supply of materials and components, and the resulting economic activity that this demand creates is captured in the supply chain contributions. A more detailed explanation of our methodology can be found in the accompanying **Technical Annex.**

When considering the value supported across the wider economy, the contributions rose to account for 3.8% of the UK economy in 2025. At a total contribution of £104.7 billion, the net zero economy is 4 times larger than the economy of Bristol. These figures also show that for every £1 in economic value generated by net zero businesses, a further £1.85 is generated throughout the wider economy.

When including these wider contributions, the sector's employment contributions also rise to 1.1 million FTE jobs, which accounts for 3.1% of total UK employment and supports as many jobs as directly employed by the financial and insurance services sector (1.1 million FTEs) sector and nearly half the number of people directly employed by the construction sector (2.3 million FTEs). These figures mean that for every job supported by net zero businesses, a further 2.45 jobs are supported in the wider economy.

Figure 3: Economic value supported by the net zero economy (£m, 2025 prices)[2]



Source: CBI Economics (2026)

In addition, the jobs supported directly by the net zero economy were highly productive. On average, jobs in businesses within the net zero economy produce £119,318 in GVA per FTE job, 1.5 times the national average (£80,385). Reflecting this above-average productivity, CBI Economics estimates the average wages in the net zero economy to be £43,142, 11% higher than the current national average of £39,039.

[2] These figures are not comparable to the one reported last year due to changes in taxonomy and the National Accounts. For full detail please see the **Technical Annex**

A £455bn energy infrastructure pipeline is central to the UK's net zero transition

The UK's renewable energy sector represents a major economic opportunity. Net zero policy has mobilised significant private capital, with industry ready to deploy it at scale - and without a stable, long-term policy framework, that investment is at risk. These investments are expected to reduce exposure to volatile international fossil fuel markets and lower system costs over time, given the low marginal cost of renewable generation. A key policy challenge is how to manage the near-term cost pressures, particularly for households and energy-intensive businesses, while maintaining the pace of investment required to deliver a more secure and lower-cost energy system in the long-run.

Table 1 sets out the scale and structure of the UK's renewable energy development pipeline, based on analysis of the Renewable Energy Planning Database (REPD).[3] In total, the pipeline which covers renewable energy generation technologies and storage, comprises around 262 GW of capacity, equivalent to roughly four times the UK's current total installed renewable capacity.[4] CBI Economics estimates this will require roughly £455 billion of investment, highlighting the very substantial build-out required to deliver the UK's long-term energy transition goals.

Table 1: Pipeline summary of renewable energy generation projects in the UK

Pipeline stage[5]	Capacity (GW)	Estimated investment (£bn)	% of pipeline
Early pipeline	105.6	156.9	34%
Active pipeline	135.9	243.7	54%
Under construction	20.8	54.7	12%
Total	262.3	455.4	100%

Source: CBI Economics modelling based on the Renewable Energy Planning Database (2026)

[3] The Renewable Energy Planning Database (REPD) is published quarterly by the Department for Energy Security and Net Zero (DESNZ) and tracks the progress of renewable and low-carbon electricity projects through the planning system in the UK. It covers projects at all stages of development down to 150kW in size.
[4] **Energy Trends: UK renewables - GOV.UK**
[5] Based on REPD status, Early pipeline includes projects with a planning application submitted, under appeal, or revised and awaiting determination. Active pipeline includes projects with planning consent granted and awaiting construction, or where no planning application is required.

The majority of this capacity is concentrated in projects already progressing through development. Around 136 GW (54%) sits in the active pipeline, with a further 106 GW (34%) at an earlier stage. An additional 21 GW (12%) is currently under construction, representing £54.7 billion of investment already translating into on-the-ground delivery. While this points to a strong forward pipeline and a growing base of near-term activity, it also underscores the importance of ensuring projects continue to progress through to construction and operation.

Table 2 shows that the technology mix is dominated by a small number of large-scale generation and flexibility technologies. Battery storage accounts for the single largest share at 130 GW, underscoring the increasing importance of system balancing and flexibility in a more electrified energy system. Offshore wind (48 GW) and solar photovoltaics (45 GW) also represent major components of the generation pipeline, alongside 23 GW of onshore wind.

Table 2: Largest renewable energy technology types in the UK pipeline

Technology type	Early pipeline (GW)	Active pipeline (GW)	Under construction (GW)	Total (GW)
Battery	67.6	55.7	6.4	129.7
Wind offshore	28.0	10.7	9.1	47.9
Solar Photovoltaics	22.6	19.3	2.5	44.5
Wind onshore	7.6	13.7	1.7	22.9
Pumped Storage Hydroelectricity	4.9	4.9	-	9.7
Hydrogen	3.4	0.5	0.0	3.9
Energy From Waste	1.2	0.3	0.5	2.0

Source: CBI Economics modelling based on the Renewable Energy Planning Database (2026)

Other technologies play a more targeted but still important role. Pumped storage hydro (9.7 GW) contributes to long-duration storage capacity, while hydrogen projects (3.9 GW) and energy-from-waste (2.0 GW) reflect emerging and complementary parts of the energy system. A smaller pipeline of technologies including advanced conversion technologies, tidal stream and anaerobic digestion points to continued innovation and diversification, albeit at a more limited scale.

Nuclear energy, not captured in the REPD pipeline, is also set to undergo significant transformation. With most existing nuclear capacity due to be retired within the next few years, substantial funding is being committed to develop the next generation of capacity. Hinkley Point C will deliver two new nuclear reactors capable of generating over 3.2 GW of secure, low-carbon electricity for 60 years – enough to power six million homes. It represents the first in a new generation of nuclear power stations in Britain. Sizewell C, located in Suffolk, will similarly provide up to 3.2 GW of reliable clean power for the equivalent of six million homes. Following a capital raise process, the Government announced a Final Investment Decision in July 2025 to formally give the project the go-ahead, with a target construction cost of around £38 billion (2024 prices) and operations expected to begin in the mid- to late-2030s.[6]

Electricity transmission is therefore as much a determinant of success as generation itself. Clean energy sources such as offshore wind are often located far from centres of population and legacy generating capacity, meaning new transmission infrastructure is essential to connect new sources to demand and to upgrade existing network capacity. The National Infrastructure and Service Transformation Authority (NISTA) pipeline reflects this necessity, identifying a significant programme of electricity transmission projects with planned investment of £56 billion over the next five years. These investments are critical to unlocking low-carbon generation deployment and supporting wider electrification across the economy and, without them, even a well-resourced generation pipeline risks being constrained by network bottlenecks.

Overall, these figures relate specifically to energy generation, storage and associated infrastructure. While they do not capture the full breadth of activity across the UK's wider net zero economy, they provide a clear indication of the scale, maturity and technological composition of the projects expected to drive the UK's energy transition in the coming years.

[6] **Final Investment Decision reached for Sizewell C – the biggest British clean energy project in a generation - Sizewell C**

The UK in a rapidly expanding global investment environment

Despite an increasingly uneven global political landscape, investment in clean energy continues to expand at scale, reshaping patterns of capital allocation, industrial strategy and international competition. According to the International Energy Agency (IEA), global investment in renewables, nuclear, grids, storage, low-emissions fuels, efficiency and electrification has grown significantly in recent years, reaching over $2.2 trillion annually, within total energy investment of around $3.3 trillion, and is now consistently outpacing investment in fossil fuels.[7]

Alongside this growth in investment, global deployment of key technologies is accelerating. Offshore wind capacity, for example, is expected to expand rapidly over the coming decade, with global installed capacity projected to reach 441 GW by 2034, up from around 83 GW today.[8] This trajectory underscores the scale of infrastructure build-out underway and the corresponding demand for capital, supply chains and technical expertise.

The net zero transition could be considered not only as an environmental or technological shift, but a global economic race. Countries are competing to capture investment, anchor supply chains and develop the skills base required to deliver large-scale infrastructure and industrial transformation. In this context, execution is critical: the ability to translate policy ambition into delivered projects, operational assets and commercial activity will determine which economies capture the greatest share of value.

Supply chain depth is a central factor in this competition. As demand for clean energy technologies expands, constraints in manufacturing capacity, critical materials and skilled labour are becoming more pronounced. Economies with well-developed domestic supply chains and strong integration across sectors are better positioned to manage these pressures, reduce delivery risks and retain a greater share of economic value.

Policy stability also plays a decisive role in shaping capital flows. Given the long-term and capital-intensive nature of many net zero investments, investors place significant weight on regulatory clarity, consistent policy signals and the credibility of delivery frameworks. In an increasingly competitive and uncertain global environment, even small differences in policy certainty and execution can materially influence where investment is deployed.

While this report does not provide a cross-country comparison, the scale of the UK's pipeline and its established capabilities in renewable energy generation, like offshore wind, environmental engineering and professional services position it as a material participant in this global expansion.

[7] **Executive summary - World Energy Investment 2025 - Analysis - IEA**
[8] **Global Offshore Wind Report 2025**

Regional strengths and specialisation

The net zero economy is geographically distributed across all regions and nations of the UK, reflecting its role as a system-wide transformation rather than a sector concentrated in a small number of locations. Its footprint spans energy generation, industrial production and high-value services, with different regions contributing distinct but complementary capabilities. This section examines how net zero-related business activity, economic value, employment and productivity are distributed across the UK, and what these reveal about regional specialisation, competitiveness and the structure of the transition.

Key Findings:

- **Net zero activity is present across all UK regions**, supporting jobs, investment and value creation in every nation and region, reinforcing its contribution to economy-wide transformation.
- **Relative economic importance is highest in industrial and energy-focused regions**, with net zero activity contributing the largest shares of regional GVA in Scotland (4.9%), Yorkshire and the Humber (4.4%), Wales (4.3%) and the East Midlands (4.1%).
- **The business base is broad and SME-led across all regions**, with over 88% of firms classified as SMEs in every region, supporting supply chain depth, innovation and delivery capacity across the UK.
- **Regional specialisation varies significantly**, with Scotland (location quotient 1.64), the North East (1.30) and Northern Ireland (1.28) showing the highest concentrations of net zero business presence relative to their size, while London and the South East act as large but less specialised service hubs.
- **Productivity is consistently higher in net zero sectors across all regions**, with output per worker between 1.3x and 1.8x above regional averages, indicating that the sector supports higher-value jobs and improves economic competitiveness.
- **Regional roles are complementary**, with energy hubs (e.g. Scotland, North East), industrial clusters (e.g. Midlands, Yorkshire and the Humber) and service centres (e.g. London, South East) forming an interconnected system underpinning the UK's transition.
- **The UK's infrastructure pipeline is regionally diverse but highly concentrated in key hubs**, with Scotland leading at 70.5GW of capacity, supported by major developments in offshore wind, hydrogen and energy storage across multiple regions.

Business population characteristics across the regions

The net zero business population is distributed across all regions and nations of the UK, reflecting the geographically embedded nature of the transition. Activity spans energy generation, industrial supply chains and service-based sectors, with each region contributing distinct capabilities to the wider net zero economy.

In absolute terms, the largest concentrations of net zero businesses are found in London (8,948 companies) and the South East (7,436 companies), followed by the South West (5,270 companies), North West (5,048 companies), East of England (5,043 companies) and Scotland (5,044 companies). These patterns reflect both underlying economic scale and the concentration of corporate headquarters and registered offices in London in particular. As a result, business counts in the capital may overstate the location of operational activity, which is often distributed across other regions where projects, infrastructure and delivery take place.

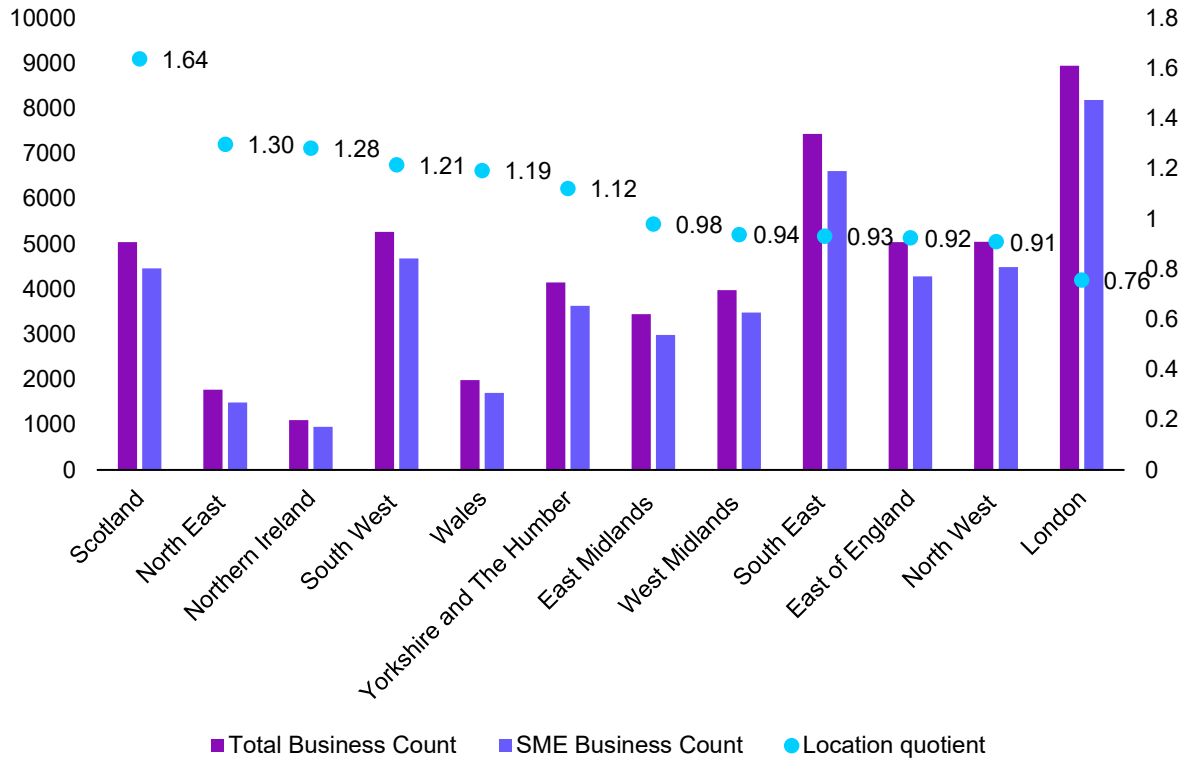
Across all regions, the business population is predominantly SME-led, with small and medium-sized enterprises accounting for the vast majority of firms. For example, SMEs represent over 88% of firms in every region, rising to over 90% in several regions including Scotland, the South West and the North West. This highlights the role of smaller firms in supporting supply chains, innovation and the delivery of net zero activity across the UK.

While absolute business counts are highest in larger regions, relative concentration varies significantly. Location quotients provide a measure of regional specialisation, comparing the share of net zero businesses in each region to the UK average. A value above 1 indicates that a region has a higher concentration of net zero activity than the national benchmark, while a value below 1 indicates the opposite. The higher the score, the more the region's economy is oriented towards net zero activity relative to the rest of the UK.

On this basis, Scotland stands out as the most specialised region (location quotient: 1.64), indicating a particularly strong concentration of net zero businesses relative to its economic size. This is followed by the North East (1.30) and Northern Ireland (1.28), both of which demonstrate above-average concentrations of net zero activity, reflecting their roles as energy and industrial hubs. Other regions with above-average specialisation include the South West (1.21), Wales (1.19) and Yorkshire and the Humber (1.12), highlighting the importance of net zero activity across a range of regional economies.

By contrast, regions such as the South East (0.93), East of England (0.92), North West (0.91) and London (0.76) have lower relative concentrations, despite hosting large absolute numbers of firms. This reflects the broader and more diversified economic structures of these regions, where net zero activity forms a smaller share of overall business activity but still plays a significant role in absolute terms.

Figure 4: The regional business demographics of net zero businesses



Source: The Data City (2026)

Taken together, these patterns reinforce the complementary nature of the UK's net zero economy. Regions with high relative specialisation, such as Scotland, the North East and Wales, tend to be more closely associated with energy production, infrastructure and industrial activity, while larger regions such as London and the South East act as centres for finance, professional services and project development. This combination supports a geographically distributed but interconnected system, with different regions contributing distinct but interdependent roles.

The net zero economy delivers growth across all UK regions

Net zero-related activity supports jobs and value creation in every region and nation of the UK, reflecting its role as a system-wide economic transformation rather than a geographically concentrated sector. Activity is distributed across a diverse set of regional economies, spanning energy production, industrial clusters and service-based hubs.

In absolute terms, the largest contributions, including supply chain and induced effects, are concentrated in the UK's major economic centres. London (£21.7 billion GVA and 174,900 FTE jobs) and the South East (£15.5 billion and 143,900 FTE jobs) account for the highest levels of net zero-related activity, followed by Scotland (£10.2 billion and 104,800 FTE jobs), the North West (£9.7 billion and 111,800 FTE jobs) and the East of England (£8.2 billion and 96,000 FTE jobs).

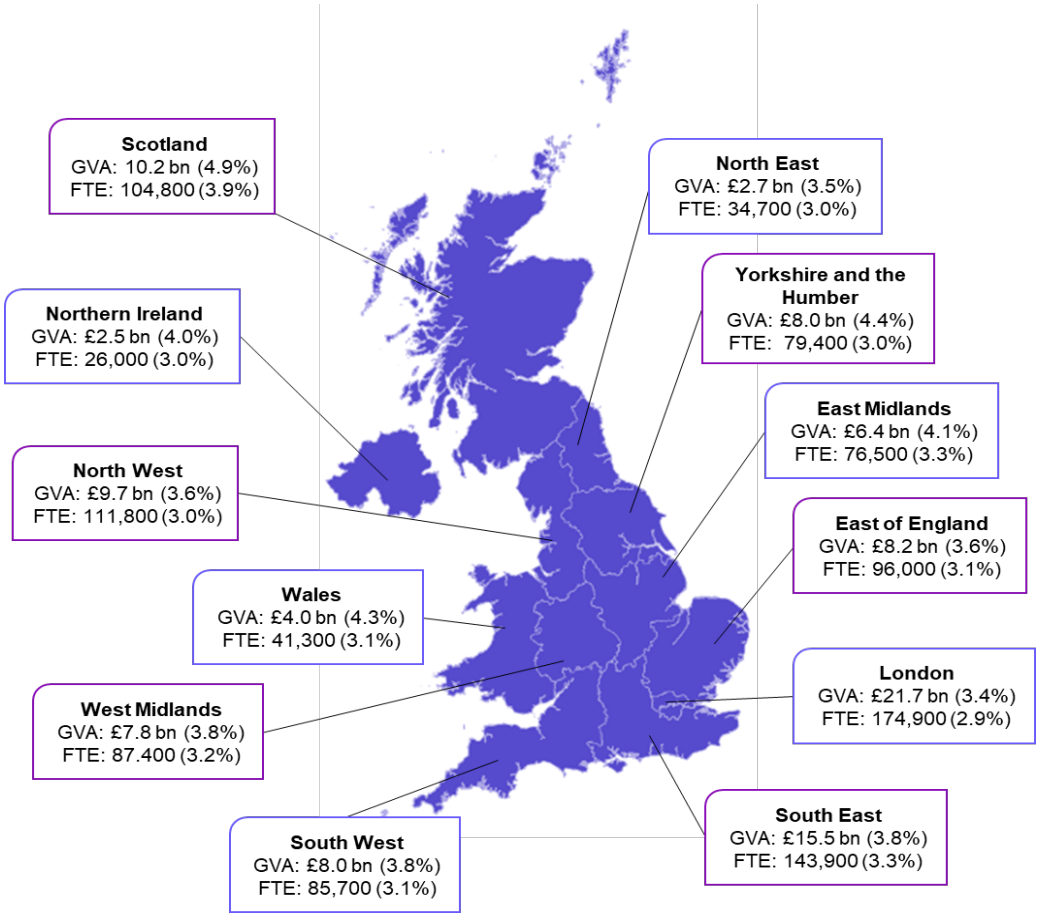
However, the importance of the net zero economy is more pronounced when considered relative to regional economic size. As a share of GVA, net zero activity makes its most significant contributions in Scotland (4.9%), Yorkshire and the Humber (4.4%), Wales (4.3%) and the East Midlands (4.1%). This indicates that net zero is not only driving growth in larger regions but is also a core component of economic structure in parts of the UK with strong industrial and energy-related specialisms.

In Scotland, net zero-related activity is a significant component of the industrial base, supporting approximately 105,000 jobs and generating £10.2 billion in economic value. This reflects the region's strengths in energy transition, including offshore wind, grid infrastructure, hydrogen and associated supply chains. Similarly, in Wales, net zero industries support over 41,000 jobs and £4.0 billion in economic value, playing a central role in advanced manufacturing, energy and industrial supply chains.

Across the UK, distinct regional specialisations are evident. Energy hubs, such as Scotland, the North East and parts of the East of England, are characterised by strengths in generation, offshore wind and emerging technologies such as hydrogen. Industrial regions, including the Midlands, Yorkshire and the Humber, and the North West, combine manufacturing capability with growing roles in low-carbon production, electrification and carbon management. Meanwhile, London and the South East function as service hubs, with high concentrations of financial, professional and advisory activity supporting the wider net zero ecosystem.

These regional roles are complementary. The transition to net zero depends on the interaction between capital, infrastructure, supply chains and services, with different parts of the UK contributing distinct capabilities. As a result, the economic benefits of net zero are geographically dispersed, supporting employment and value creation across a wide range of local economies rather than being concentrated in a single region or sector.

Figure 5**:** Net zero contributions across UK regions



Source: CBI Economics (2026)

Net zero activity delivers consistently higher productivity across all UK regions

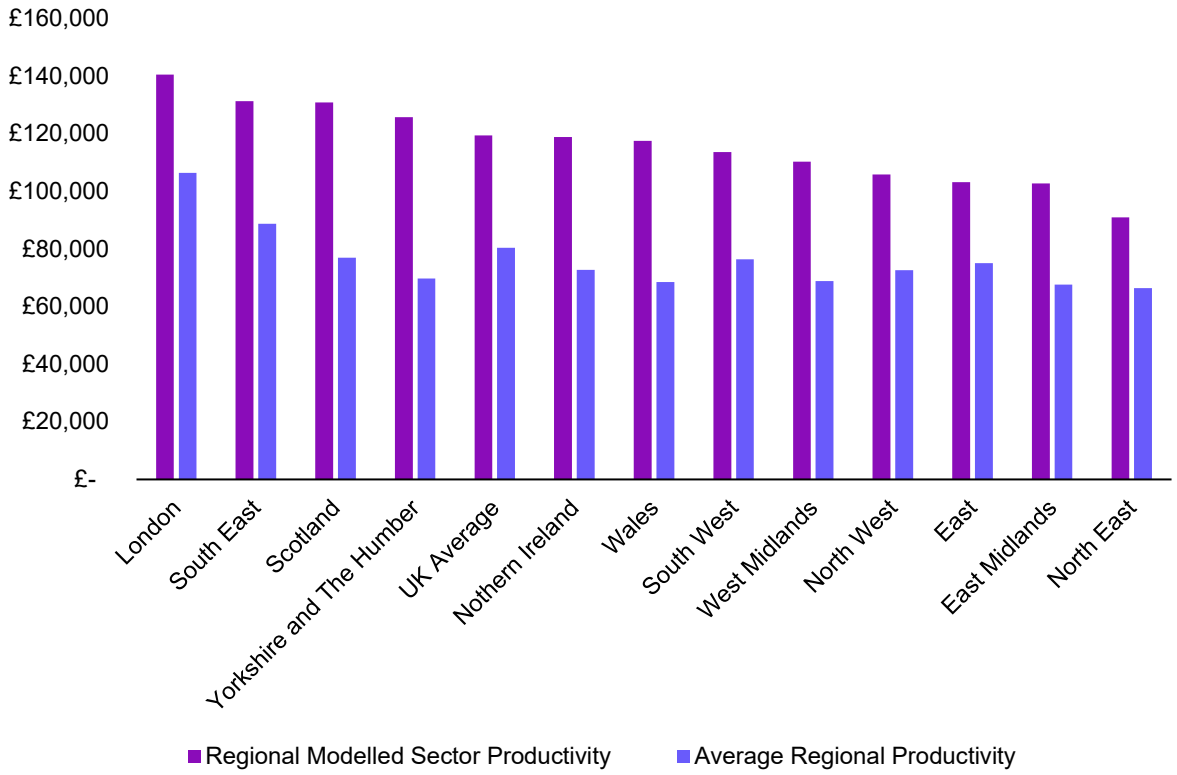
A defining characteristic of the net zero economy is its consistently high level of productivity across all regions of the UK. As shown in **Figure 6**, value generated per full-time worker in net zero-related activities exceeds regional averages in every part of the country, highlighting the sector's role as a driver of higher-value economic activity.

Across all regions, the productivity uplift associated with net zero activity is substantial. Net zero jobs generate between 1.3 and 1.8 times more economic value per worker than regional averages. The largest relative uplifts are seen in Yorkshire and the Humber (1.8x), Wales (1.7x) and Scotland (1.7x), indicating that the transition is particularly impactful in regions with strong industrial and energy-related specialisms. In the Midlands, productivity is 1.5 times higher in the East Midlands and 1.6 times higher in the West Midlands, further reinforcing the role of net zero in supporting higher-value industrial activity.

Even in regions with already high baseline productivity, such as London and the South East, net zero activity continues to outperform the wider economy, with productivity levels 32% and 48% higher than regional averages respectively. This suggests that the sector is not only contributing to economic output, but is also enhancing the quality and value of jobs across the labour market.

In absolute terms, the highest levels of productivity are observed in London (£140,485 per worker) and the South East (£131,245), reflecting the concentration of high-value service-based activity, including finance, professional services and project development. High productivity levels are also evident in Scotland (£130,832) and Yorkshire and the Humber (£125,693), both well above the UK average, reflecting the importance of capital-intensive sectors such as energy generation, manufacturing and infrastructure.

Figure 6: Regional productivity of net zero businesses vs. regional average (GVA per FTE)[9]



Source: CBI Economics (2026)

These patterns reflect the underlying composition of the net zero economy. The sector combines capital-intensive infrastructure, such as renewable energy generation, grid systems and industrial decarbonisation, with high-value services in engineering, finance and consultancy. This mix drives strong labour productivity and supports wage premiums relative to other sectors.

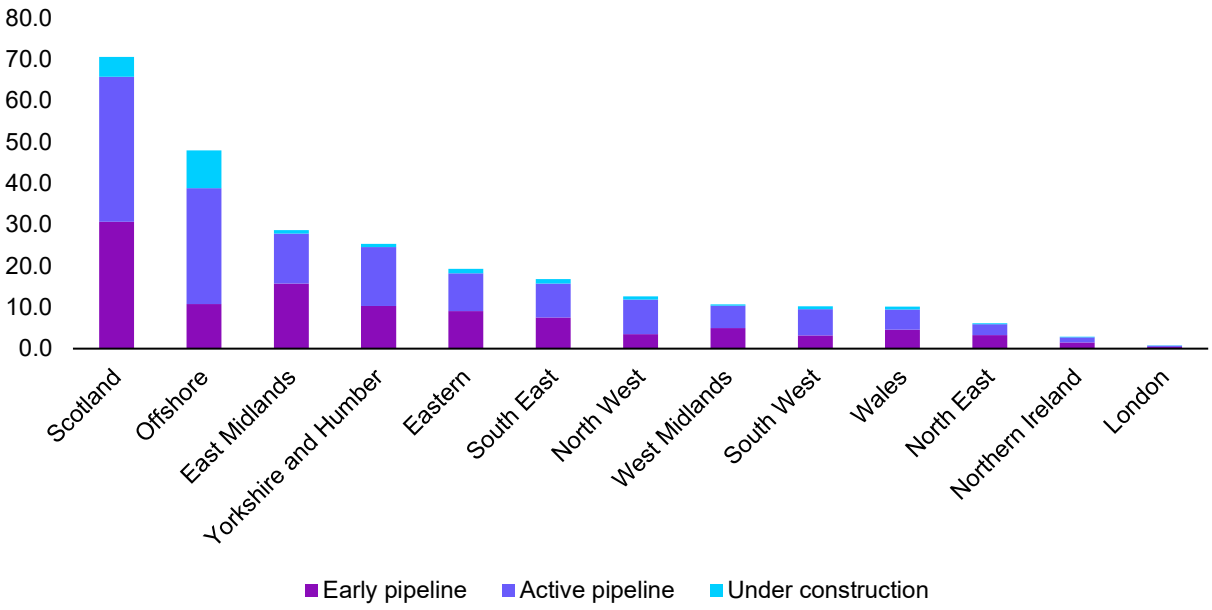
From a structural perspective, the widespread productivity advantage of net zero activity has important implications for the UK economy. It indicates that the transition is not only generating employment but also contributing to improvements in overall economic efficiency and competitiveness. In regions where productivity has historically lagged behind the national average, the expansion of net zero industries offers a pathway to narrowing these gaps through the creation of higher-value jobs and investment in modern infrastructure.

[9] Due to changes in the National Accounts productivity figures are higher than previously reported and should not be compared to previous versions of this report.

Regional investment and infrastructure deployment

Figure 7 presents the regional distribution of renewable energy capacity across the UK pipeline, disaggregated by project stage.[10] The data reveals a clear concentration of activity in Scotland and offshore regions, which together account for a substantial share of total pipeline capacity. Scotland leads with 70.5 GW, underpinned by a strong mix of early-stage (30.7 GW) and active projects (35.1 GW), indicating a deep and well-developed pipeline. The East Midlands (28.7 GW) and Yorkshire and the Humber (25.4 GW) form a second tier of activity, each characterised by a balance of early and active stage projects. Regions such as the East of England (19.3 GW) and South East (16.8 GW) show steady pipelines, while much of the rest of the UK maintains more modest but still meaningful levels of capacity.

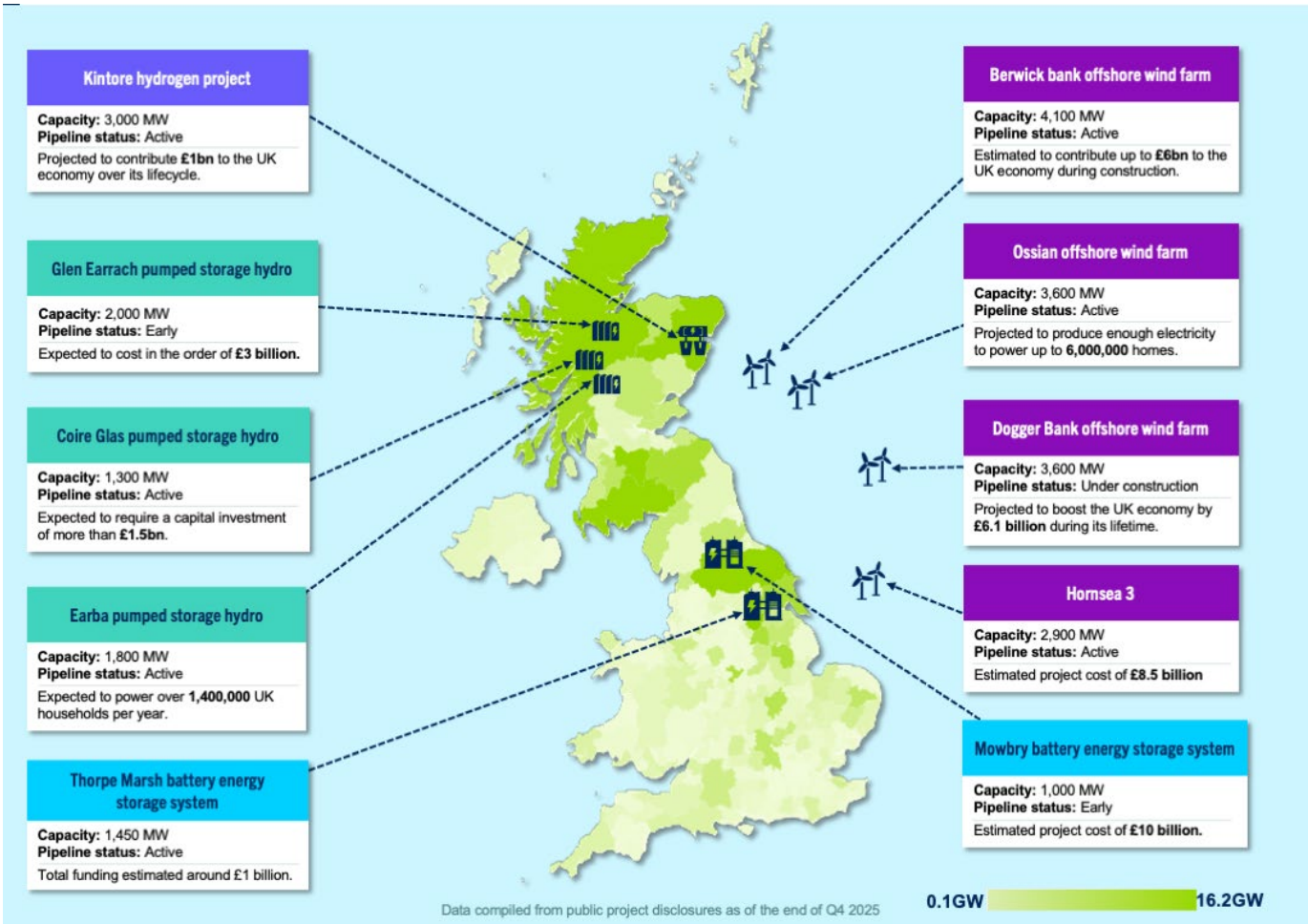
Figure 7: Total capacity (GW) of projects in the UK pipeline by region



At a more local level, Figure 8 presents a heatmap of planned renewable energy capacity, illustrating how large-scale energy infrastructure is distributed across Local Authority Districts (LADs) across the UK. The Highland area emerges as the clear focal point of future development, with just over 16.1 GW of capacity in the pipeline, estimated total investment exceeding £68 billion, and approximately 500 MW currently under construction.

[10] These figures do not assign offshore wind to a region, for the purpose of fair comparative analysis, offshore wind is included when looking at the total UK figures and in the corresponding Scotland and Wales reports.

Figure 8: Geographic distribution of planned UK energy infrastructure capacity by Local Authority District



This concentration reflects both the region's natural resource endowment and its strategic importance in supporting the UK's net zero transition. The dominant technology in this region is pumped storage hydroelectricity, a form of long-duration energy storage in which surplus electricity is used to pump water to a higher reservoir, before being released through turbines to generate electricity during periods of peak demand. Key projects include Glen Earrach (2GW), expected to cost in the region of £3 billion[11], and Coire Glas (1.3GW), which is expected to require investment of more than £1.5 billion.[12] Additional schemes include Earba (1.8GW) and the proposed 450MW Red John facility near Loch Ness.

[11] **Balance of power: Loch Ness hydro storage schemes fuel local anxiety | Hydropower | The Guardian**
[12] **£100m boost for biggest UK hydro scheme in decades - BBC News**

Staying in Scotland, Aberdeenshire represents the second highest LAD in terms of capacity, with an estimated 8.3GW in the pipeline. A notable development is the Kintore Hydrogen Project, a large-scale green hydrogen production facility that uses renewable electricity to electrolyse water, producing hydrogen for use in industry, transport, and energy storage. With a planned capacity of 3GW, the project is expected to contribute approximately £1 billion to the UK economy over its lifecycle[13], underlining the growing role of hydrogen in decarbonising hard-to-abate sectors. Aberdeenshire also has a significant pipeline of battery energy storage systems (BESS). These systems store electricity, typically in lithium-ion batteries, and discharge it when needed. Notable projects include developments at Abbotshaugh, Rothienorman, Middleton of Blackhills, and Greystone, reflecting the region's role in providing flexible capacity alongside generation.

The third highest LAD is Doncaster, with a pipeline capacity of just under 7.4GW, representing an estimated investment of just under £5 billion. A key project is the Thorpe Marsh battery energy storage system, which will provide approximately 1.4GW of capacity. The scale of this project illustrates the growing importance of grid-scale storage in supporting the UK's evolving electricity system, particularly in areas with strong transmission connections and industrial demand. Similarly, North Yorkshire, with 6.3GW of capacity in the pipeline, is also dominated by BESS. Notable projects include the Mowbray Battery Energy Storage System (1GW), with an estimated project cost of £10 billion[14], alongside Eggborough (550MW) and Monk Fryston (320MW) battery storage developments. Together, these projects position Doncaster and North Yorkshire as a key centre for electricity storage and system balancing in Yorkshire and the Humber and across the UK.

The offshore category, which we do not map to a region, follows with 48.0GW, notable for having the largest volume of projects under construction (9.1GW), reflecting the relative maturity and delivery momentum of offshore wind compared to other technologies. Among the largest developments, Berwick Bank (4.1GW), Ossian (3.6GW) and Hornsea 3 (2.9GW) are expected to power over 15 million homes annually.[15] [16] [17] Moreover, Dogger Bank A & B, part of the wider Dogger Bank complex – is in works to become the largest offshore wind farm globally at approximately 8.1GW. Additional projects, including West of Orkney, Mona, Morgan, Outer Dowsing, and the East Anglia Array, further demonstrate the scale and geographic spread of the UK's next generation of offshore wind developments, reinforcing the sector's central role in delivering a decarbonised power system.

[13] **Aberdeenshire consents UK's largest green hydrogen project | New Civil Engineer**
[14] **North Yorkshire at centre of £10bn battery energy storage scheme - Richmondshire Today**
[15] **Berwick Bank Offshore Wind Farm | SSE Renewables**
[16] **Ossian Offshore Wind Farm | SSEN Transmission/Shell**
[17] **Hornsea 3 Offshore Wind Farm | Ørsted**

Local delivery and economic impact

While the net zero economy is distributed across regions, its delivery is concentrated in a number of local hotspots where infrastructure, industrial capability and services co-locate. These hotspots represent the point at which investment is translated into real economic activity, supporting jobs, driving productivity and enabling the deployment of energy and industrial systems. Their characteristics provide insight into how the transition is being delivered on the ground, highlighting the importance of local specialisation, supply chain depth and the interaction between different parts of the economy.

Key Findings:

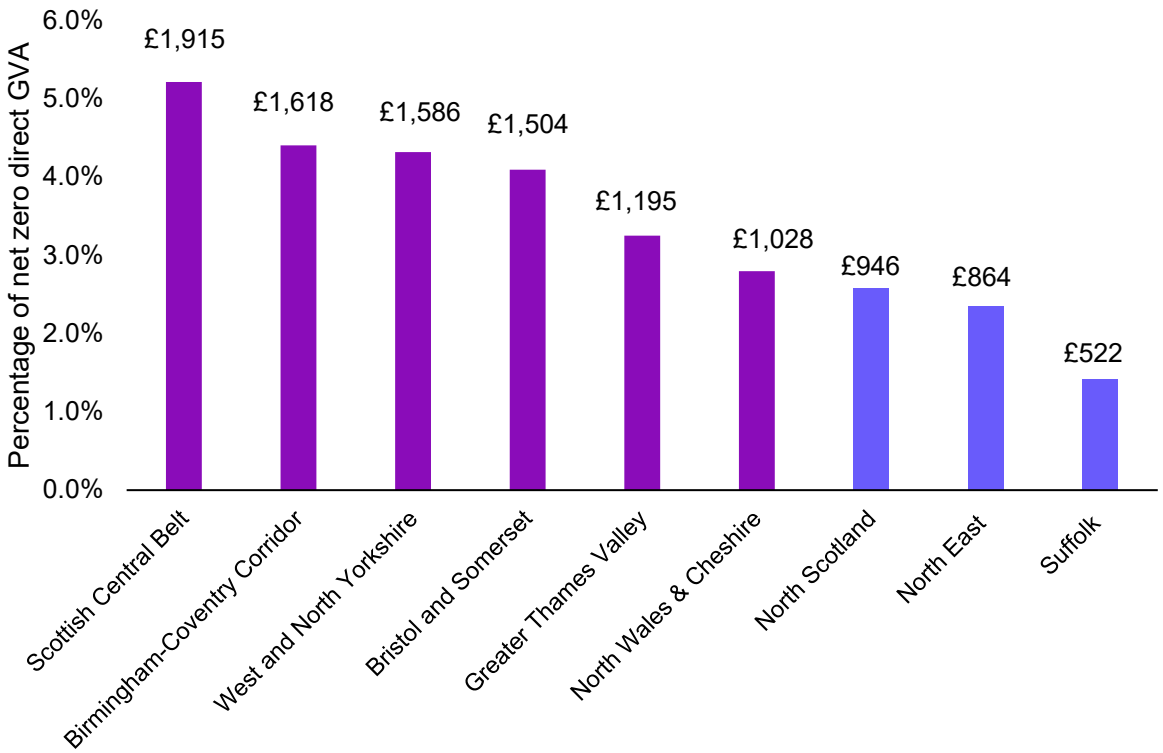
- **Net zero activity is concentrated in a network of local hotspots**, with individual hotspots generating between £500 million and £1.9 billion in direct GVA from net zero businesses.
- **The business base is consistently SME-led across all hotspots**, with between 88% and 91% of firms classified as SMEs, supporting supply chain depth, innovation and local delivery capacity.
- **Productivity is a defining feature of local net zero activity**, with output per worker reaching up to £159,000 and significantly exceeding typical regional averages, particularly in capital-intensive and infrastructure-led hotspots.
- **The largest hotspots combine scale and specialisation**, with areas such as the Central Belt, West Midlands and Yorkshire generating the highest levels of direct economic activity, reflecting strengths in energy systems, manufacturing and industrial decarbonisation.
- **Local hotspots are central to delivery**, acting as focal points where national investment pipelines are translated into operational projects, infrastructure and economic activity.
- **The distribution of hotspots reinforces the geographically dispersed nature of the transition**, ensuring that economic benefits are spread across a wide range of local economies.

Six 'billion-pound' hotspots across the UK

The UK's net zero economy is not only regionally distributed but also locally concentrated, with a number of high-impact hotspots acting as focal points for economic activity, investment and delivery. These hotspots reflect how the transition is being delivered through the co-location of infrastructure, industrial capability and services within specific local economies.

Across the UK, these hotspots represent significant centres of direct economic activity, with individual hotspots generating between £500 million and £1.9 billion in direct GVA.[18] This highlights the extent to which value creation is rooted in specific local areas, even where the wider supply chain contribution extends nationally.

Figure 9: Direct GVA of net zero hotspots (% of UK direct GVA and £m)[19]



Source: CBI Economics (2026)

[18] A hotspot is an area of adjacent LADs that contribute significantly to the net zero economy.
[19] A breakdown of the Local Authority Districts that make up each hotspot will be provided in Annex 1: Supplementary Data Tables

A defining feature of these hotspots is their diversity of specialisation. Energy-focused hotspots, particularly in Scotland and coastal regions, are aligned with renewable generation and emerging technologies. Industrial hotspots across the Midlands and the North of England leverage manufacturing and engineering strengths, while areas such as the Greater Thames Valley and Bristol and Somerset play a stronger role in high-value services, innovation and project development.

These roles are complementary. The transition to net zero depends on the interaction between generation, infrastructure, manufacturing and services, with local hotspots forming interconnected parts of a wider system. This reinforces the idea that net zero is not concentrated in a single geography but instead reflects a distributed economic transformation with local centres of expertise and delivery.

Across all hotspots, the business base is strongly SME-led, with between 88% and 91% of firms classified as SMEs, supporting supply chain depth, innovation and local economic participation. Productivity levels are also consistently high, with several hotspots, such as Suffolk (£159,366 per worker) and the Scottish Central Belt (£156,126), demonstrating particularly strong output per worker, reflecting the capital-intensive and high-value nature of net zero activity.

Scottish Central Belt

The Central Belt is the largest hotspot in terms of direct economic contribution, generating £1.9 billion in GVA within net zero businesses. With a strong business base (1,812 firms), the hotspot reflects Scotland's strengths in energy systems, infrastructure and engineering. High productivity (£156,126 per worker) highlights the capital-intensive nature of activity and its role as a key delivery hub within the UK's net zero system.

This net zero economy in this hotspot is defined by a mix of large energy corporates and specialist engineering firms. ScottishPower Renewables, SSE and Statkraft anchor Glasgow's corporate energy base, while SGN and INEOS are the principal operators in the hydrogen transmission corridor linking Grangemouth to Edinburgh. In North Lanarkshire, Amey leads a nationally recognised road decarbonisation programme in partnership with the Council, with outputs now being adopted across the UK highway network. A growing cluster of clean technology businesses, including Clyde Hydrogen and Synaptec, points to the Central Belt's emerging role as an incubator for next-generation energy technology alongside its established function as a major infrastructure delivery hub.

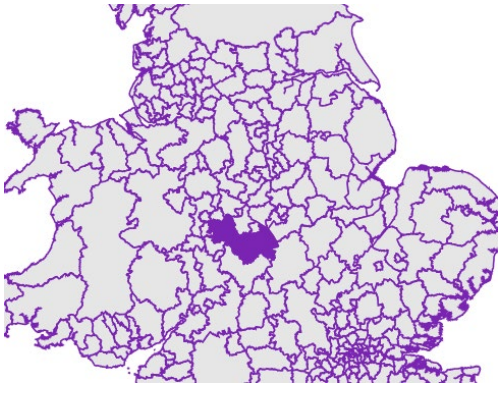
% Of UK Net Zero Economy supported by the hotspot **5.2%**	% Of companies that are SMEs **88%**
Number of net zero companies **1,812**	Average labour productivity in hotspot **£156,126**

Birmingham-Coventry Corridor

The West Midlands generates £1.6 billion in direct GVA, reflecting its role as a major industrial hotspot. With over 1,100 companies, the region leverages its manufacturing base to support electrification, low-carbon production and supply chains. Productivity (£136,891) indicates a shift toward higher-value industrial activity.

The net zero business base across this hotspot is defined primarily by the concentration of electric vehicle and low-carbon propulsion activity anchored in Coventry, Warwick and Birmingham. The UK Battery Industrialisation Centre (UKBIC), based in Coventry and delivered through a consortium of Coventry City Council, WMG at the University of Warwick and the Advanced Propulsion Centre, provides the critical facility linking laboratory-scale battery innovation to commercial production. At the SME level, Voltempo began series production of its HyperCharger in September 2025, a megawatt-scale charging system for electric HGVs and the centrepiece of the government-backed £200 million eFREIGHT 2030 programme.

% Of UK Net Zero Economy supported by the hotspot **4.4%**	% Of companies that are SMEs **88%**
Number of net zero companies **1,162**	Average labour productivity in hotspot **£136,891**



West and North Yorkshire

The Yorkshire hotspot contributes £1.6 billion in direct GVA, underpinned by a strong business base (1,450 companies). The region combines industrial capability with energy-related activity, supporting decarbonisation in heavy industry. High productivity (£139,753) reflects the presence of capital-intensive infrastructure and advanced industrial processes.

In Leeds, enfinium's Skelton Grange facility, a £500 million energy-from-waste plant that commenced operations in 2025, processes up to 410,000 tonnes of residual waste annually to generate 49MW of renewable electricity. In North Yorkshire, SSE Renewables is constructing a 320MW battery energy storage system at Monk Fryston, one of the largest of its kind in the UK, with commercial operations expected in 2026. In Bradford, N-Gen Energy Solutions and Hygen Energy have signed a Low Carbon Hydrogen Agreement with the UK Government for the Bradford Low Carbon Hydrogen facility at the former Birkshall Gas Holder site, the largest scheme awarded funding through the government's first Hydrogen Allocation Round, with a capacity of 12.5 tonnes of hydrogen per day and production targeted from 2027.

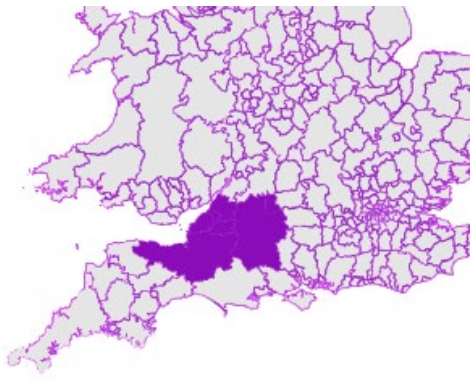
% Of UK Net Zero Economy supported by the hotspot **4.3%**	% Of companies that are SMEs **90%**
Number of net zero companies **1,450**	Average labour productivity in hotspot **£139,753**

Bristol and Somerset

The Bristol and Somerset generates £1.5 billion in direct GVA. With 1,847 companies, it represents a broad-based hotspot spanning energy, construction and services. While productivity (£114,307) is lower than in some other hotspots, the scale of employment highlights its role as a major delivery hub.

In Somerset, EDF Energy's Hinkley Point C under construction on the West Somerset coast will deliver 3,260 MW of low-carbon nuclear electricity for 60 years on completion, while Agratas has committed a £4 billion investment to build the UK's largest EV battery gigafactory at the Gravity Smart Campus near Bridgwater, with a target capacity of 40 GWh annually and 4,000 direct jobs. In Wiltshire, the Minety Battery Energy Storage project is a 150 MW facility northwest of Swindon that operates as one of the largest battery storage installations in Europe, providing grid balancing services managed by RES. In Bristol, OVO Energy, one of the UK's largest domestic energy suppliers with nearly 1,000 employees in the city, anchors the region's clean energy services base alongside a broader cluster of clean technology firms.

% Of UK Net Zero Economy supported by the hotspot **4.1%**	% Of companies that are SMEs **90%**
Number of net zero companies **1,840**	Average labour productivity in hotspot **£114,307**

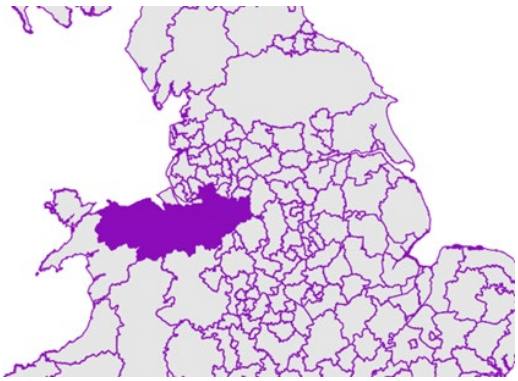


North Wales and Cheshire

This hotspot contributes £1.0 billion in direct GVA, with a strong base of 1,529 companies. Activity is driven by a mix of industrial capability and service-sector strengths, supporting supply chains and low-carbon technologies. Productivity (£120,545) reflects a balanced mix of manufacturing and services.

The business base across this hotspot is anchored by the HyNet North West project, centred on the Stanlow Manufacturing Complex in Ellesmere Port. EET Hydrogen has received consent to construct the UK's first large-scale low-carbon hydrogen production plant at Stanlow, with Cadent developing 125 km of associated hydrogen pipeline network and Inovyn providing underground hydrogen storage in the Cheshire salt basin. In Cheshire East, Storengy UK operates the largest onshore gas storage facility in the UK at Stublach and has delivered the first solar-powered green hydrogen refuelling station in the North West at Middlewich.

% Of UK Net Zero Economy supported by the hotspot **2.8%**	% Of companies that are SMEs **89%**
Number of net zero companies **815**	Average labour productivity in hotspot **£120,545**

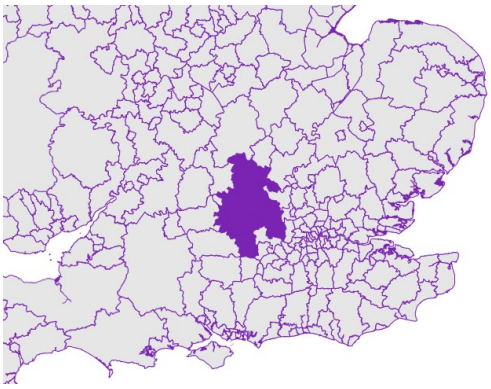


Greater Thames Valley

The Greater Thames Valley hotspot generates £1.2 billion in direct GVA, with a smaller but highly productive business base (876 companies). Productivity (£146,983) is among the highest across all hotspots, reflecting a concentration of high-value service activity, including finance, consultancy.

The business base across this hotspot is characterised by high-value, knowledge-intensive activity rather than large-scale infrastructure, consistent with the broader economic profile of the Greater Thames Valley. Mixergy, a University of Oxford spinout based in Oxfordshire, founded in 2014 and winner of the King's Award for Enterprise in Innovation in 2025, manufactures patented smart hot water cylinders that reduce hot water energy consumption by up to 40%, integrate with solar PV, heat pumps and smart tariffs, and provide grid flexibility services in partnership with British Gas. HydRegen, also based in Thame and incorporated in 2020, is commercialising enzyme-based biotechnology that replaces heavy metal catalysts in industrial hydrogenation processes, decarbonising chemical manufacturing across the pharmaceuticals, food and fine chemicals sectors.

% Of UK Net Zero Economy supported by the hotspot **3.3%**	% Of companies that are SMEs **91%**
Number of net zero companies **876**	Average labour productivity in hotspot **£146,983**



Conclusion

The evidence presented in this report shows that the UK's net zero economy is already a material and structurally embedded component of the national economy. It contributes significantly to output and employment, supports high productivity activity, and spans a wide range of sectors beyond energy, including manufacturing, construction, finance and professional services. As such, the transition to net zero is not simply a sectoral shift, but a system-wide economic transformation.

This transformation is also geographically distributed. Net zero activity is present across all regions and nations of the UK, with different areas specialising in distinct parts of the value chain. Energy hubs, industrial clusters and service centres each play complementary roles, while local hotspots act as focal points for delivery. This reflects a more balanced economic geography, where growth opportunities are not confined to a small number of locations but are instead spread across a network of interconnected regional and local economies.

At the same time, the net zero economy is characterised by high productivity and strong multiplier effects, generating value well beyond its direct footprint. The combination of capital-intensive infrastructure and high-value services supports higher output per worker and wage premiums, contributing to overall economic quality and competitiveness. The sector's SME-led business base further reinforces this, providing depth across supply chains and supporting innovation and adaptability.

However, the UK's position must be understood in the context of a rapidly expanding and increasingly competitive global environment. Clean energy investment is accelerating worldwide, and major economies are deploying industrial policy to capture value, build domestic supply chains and secure long-term advantages. In this context, the UK's substantial infrastructure pipeline and established capabilities position it as a credible and competitive participant in the global energy and climate transition.

Realising this opportunity will depend on execution. The ability to translate pipeline projects into delivered infrastructure, scale supply chains, and maintain investor confidence will be critical in determining how much of this economic opportunity is captured domestically. Policy stability, coordination across sectors, and the development of skills and industrial capacity are all foundational conditions to realise investment.

Ultimately, the transition towards net zero represents a defining economic shift for the UK. It offers the potential to support long-term growth, strengthen competitiveness and rebalance economic activity across regions. But these outcomes are not automatic. They depend on sustained delivery, effective policy frameworks and the continued alignment of public and private investment.

The UK is well positioned to achieve secure and affordable clean energy, and a decarbonised economy, but the extent to which it captures the full economic value of the energy and climate transition will be determined by decisions taken now for the years ahead.

Annex 1: Supplementary data table

Table 3: Local Authority District within each hotspot

Scottish Central Belt	Birmingham-Coventry Corridor	West and North Yorkshire	Bristol and Somerset	Greater Thames Valley
Glasgow City	Warwick	Leeds	Bristol, City of	Reading
North Lanarkshire	Birmingham	North Yorkshire	Somerset	Wokingham
South Lanarkshire	Coventry	Wakefield	Wiltshire	Buckinghamshire
West Lothian	Rugby	Bradford	Swindon	Slough
City of Edinburgh	Sandwell		South Gloucestershire	South Oxfordshire
East Lothian	Solihull		Bath and North East Somerset	
			North Somerset	

North Wales and Cheshire	North Scotland	North East	Suffolk
Wrexham	Perth and Kinross	Sunderland	East Suffolk
Flintshire	Aberdeen City	County Durham	Ipswich
Denbighshire	Highland	Newcastle upon Tyne	West Suffolk
Conwy	Aberdeenshire	Northumberland	Mid Suffolk
Cheshire West and Chester	Fife	Stockton-on-Tees	
Cheshire East		North Tyneside	
Warrington		Gateshead	
		Hartlepool	
		South Tyneside	

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