LONDON BOROUGH OF CAMDEN

WARDS: All

REPORT TITLE

Response to the Cabinet Adviser Report on Low carbon environments (SC/2025/67)

REPORT OF

Cabinet Member for Planning and a Sustainable Camden

FOR SUBMISSION TO

DATE

Cabinet

10 December 2025

STRATEGIC CONTEXT

This report sets out commentary and actions in response to Councillor Burrage's Cabinet Adviser report on Low Carbon Environments. This work is strongly aligned with the We Make Camden vision for Camden to be a green, clean, vibrant, accessible, and sustainable place.

Councillor Burrage's report also supports Camden's climate programme as defined under Camden's Climate Action Plan 2020-2025. Camden's next Climate Action Plan 2026-2030 will be considered by Cabinet in December 2025.

SUMMARY OF REPORT

This report considers and comments on Councillor Burrage's Cabinet Adviser report. The report notes the financial challenge of decarbonising Camden and our own estate and reflects on the limits of Council control and influence within this field.

The report provides commentary on the four recommendations, noting general agreement and support for the proposals and highlighting action underway and proposed. Notable action includes the live procurement for the community energy partner and plans to assess social housing against minimum energy efficiency standards and consider how compliance can be financed through the housing capital programme. The commentary also notes new forms of finance being explored. Section 4 summarises the proposed actions in response to the recommendations.

Local Government Act 1972 – Access to Information

No documents have been used in the preparation of this report:

Contact Officers:

Harold Garner

Head of Climate, Air Quality and Energy

5 Pancras Square London N1C 4AG

harold.garner@camden.gov.uk

020 7974 2701

Michael Webb Head of Finance (Supporting Communities) 5 Pancras Square London N1C 4AG

michael.webb@camden.gov.uk

020 7974 4328

RECOMMENDATIONS

 Cabinet is asked to consider the response to the Cabinet Adviser report and agree the proposed Officer action.

Signed:

Councillor Adam Harrison

Date: 26 November 2025

1. PURPOSE OF THE REPORT

- 1.1 The Leader of the Council established Cabinet Adviser roles to provide evidence-based recommendations and policymaking support to the Cabinet of the Council. The Cabinet Advisers are appointed by the Leader alongside the wider Cabinet and Committee appointments each year.
- 1.2 In 2024/5, Councillor Anna Burrage was appointed as the Cabinet Adviser on Low Carbon Environments to help identify funding opportunities, assess their risks and benefits, and ensure that financial strategies and partnerships align with Camden's climate ambitions.
- 1.3 This report provides officer responses to the four key Recommendations in Councillor Burrage's report.

2 CONTEXT AND BACKGROUND

- 2.1 In 2019, the Council declared a climate emergency and committed to do everything it could to help reduce emissions in Camden to support a vision for a zero-carbon borough by 2030.
- 2.2 The Council has the power to influence approximately 1/3 of emissions in Camden. Over half of emissions cuts rely on people and businesses choosing 'low carbon' solutions locally¹. In acknowledgement of the Council's role in emission reduction, Camden held a Citizens' Assembly in 2020 to allow residents with a broad range of experiences and backgrounds to shape how businesses, community groups, and citizens could collectively take climate action, and how the Council could help facilitate this.
- 2.3 The Assembly heard that a zero carbon Camden would cost an additional £10 billion over business-as-usual lifecycle replacement costs. The required interventions would include every household in Camden replacing their gas boiler with a low carbon electric alternative while insulating the home at a cost of approximately £45,000 per household.
- 2.4 Taking the scale of the challenge into account, the recommendations of the Citizens' Assembly struck a balance between the need to act quickly to reduce emissions while ensuring that the transition to a low carbon Camden did not have negative social and economic impacts. The Assembly also recognised that the Council could neither fund nor deliver the zero-carbon transition alone, and that climate action and investment by businesses, households and organisations would be required to make progress.
- 2.5 The Citizens' Assembly recommendations helped to shape Camden's Climate Action Plan 2020-25, which, given the scale of the financial challenge, included a commitment to explore new financial mechanisms to support the climate programme.

¹ Both statistics are from the <u>Committee on Climate Changes sixth carbon budget</u> review, and the role local authorities play in this.

- 2.6 Since the Climate Action Plan's adoption in 2020, over £35 million of external funding has been secured to support programme delivery. The funding includes government grants to retrofit Council buildings, social finance in the form of community share investment to fund renewable energy infrastructure on Council buildings and schools, and new forms of investment such as local carbon offsetting finance and a Community Municipal Investment (sometimes referred to as a Climate Bond), which raised £1 million in 2022.
- 2.7 The Cabinet Adviser's report builds on this progress by presenting an overview of key considerations related to investment in community energy initiatives within Camden. Among the notable findings are insights into the benefits and drawbacks of the Community Municipal Investment model, and a review of the community energy landscape, emphasising the potential for frameworks that empower local groups, such as Power Up North London.
- 2.8 The report also outlined the vital role of Camden's Sustainability team in developing a pipeline of opportunities to attract further investment.
- 2.9 Councillor Burrage's report was presented at Culture and Environment Scrutiny Committee in August and was well received.

3. CABINET ADVISER'S RECOMMENDATIONS AND ACTIONS

- 3.1 The Cabinet Adviser set out four clear recommendations, which are detailed below along with commentary and actions to advance them. The Cabinet Adviser's report is provided in Appendix 1.
- 3.2 **Recommendation 1** Camden should refrain from launching another round of the Community Municipal Investment (CMI) due to the resources required to raise relatively low levels of capital. Focus should be on attracting larger funding opportunities.
- 3.3 Officer Response Actions relating to Recommendation 1
- 3.4 Camden's Climate Action Plan 2020-25 committed the Council to explore and test new forms of finance to support the climate programme. The CMI was an important response to this commitment, raising £1 million of low cost finance which has been used to install renewable energy systems on sheltered housing blocks, increase the number of electric vehicle charging points and support improvements to streets adjacent to Camden schools which help to support air quality improvements and make them safer for children.
- 3.5 Officers note that the competitiveness of CMI, as a means of raising capital when compared to alternative sources such as Public Works Loan Board, has declined since the successful Camden raise, particularly in light of recent volatility in financial markets and interest rates.
- 3.6 Despite the financial success of the Camden Municipal Investment, officers also agree that local community investment levels were lower than anticipated, with the majority of funds raised from external investors and a

- small number of Camden-based businesses. However, this pattern reflects a broader national trend, where only a limited proportion of CMI investment originates from local communities.
- 3.7 While noting that the CMI was an important response to the Climate Action Plan 2020-25, officers also acknowledge that the scale of investment (c.£1 million) was modest when viewed against the financial requirements of decarbonising Camden or the Council's own estate and operations. Our Climate Budget, published annually, indicates that there is a funding gap in the region of £900m to significantly improve the energy efficiency of all Council buildings, with a view to reducing operational costs and carbon emissions.
- 3.8 In terms of future and alternative funding approaches, officers are exploring opportunities such as the Greater London Authority's Green Finance Fund. The Green Finance Fund offers low interest loans for capital projects related to energy efficiency, clean transportation and renewable energy. Funding from the Government's Local Power Plan may also enable Camden to expand or support the project to deliver solar power at scale across social housing stock referenced in 3.17.
- 3.9 The Cabinet Adviser's report also identifies opportunities to seek investment from the London Collective Investment Vehicle (CIV) which manages the assets of the Local Government Pension Scheme in London. Camden's Pension Scheme, along with other London Boroughs, is in the process of transferring its assets into London CIV which is working with the Greater London Authority to identify climate related and other investment opportunities in London. These developments could make London CIV a potential future source of low carbon investment in Camden.
- 3.10 **Recommendation 2** The Environment and Sustainability (E&S) team should focus on decarbonisation project pipeline development and providing education on decarbonisation across the council.
- 3.11 **Officer Response** Actions relating to Recommendation 2
- 3.12 The Council operates a Carbon Management Plan (CMP) for its estate, which identifies high energy consuming buildings for the Council's retrofit pipeline. To date the CMP has directed council investment alongside external grants from the Government's Public Sector Decarbonisation Scheme to retrofit buildings including Swiss Cottage Library, Highgate Library, the Netherwood Day Centre, West Hampstead Library and Talacre Leisure Centre, with a further £6 million secured in 2025 to improve the energy efficiency of Swiss Cottage and Kentish Town Sports Centres.
- 3.13 Officers agree that the pipeline for retrofit, defined by the CMP, requires ongoing refinement and subject to funding, the intention is to refresh the CMP next financial year in light of changes to Government funding, which it is understood will reduce the grants available to support building decarbonisation projects.

- 3.14 Officers also support the proposal to provide education and training on decarbonisation opportunities. A Learning and Development e-learning module has been produced, (however it is not currently mandatory but there would be benefits in making it so), and further training opportunities will be signposted to officers in the Property and Regeneration services. Property and Regeneration services already work closely with the Sustainability service on the corporate and schools' retrofit programme, sharing learning and good practice.
- 3.15 **Recommendation 3** All buildings undergoing capital works should consider the potential for retrofit.
- 3.16 Officer Response Actions relating to Recommendation 3
- 3.17 The Council is progressing the mobilisation of its updated housing capital programme following approval in January 2025 of the £670m Housing Investment Strategy. The programme already includes projects that are benefiting from grant funding (Social Housing Decarbonisation Fund or similar) and as such, these properties will undergo full retrofit assessments as part of the grant conditions. This includes the ~3,000 homes which form part of the project to deliver solar panels and battery storage at scale.
- 3.18 On the wider capital programme, relevant scoping surveys will be commissioned ahead of works reaching site. In particular, the Council will be assessing how it may need to comply with proposed changes in regulation such as Minimum Energy Efficiency Standards (MEES) and how energy efficiency is assessed (e.g. through Energy Performance Certificates). This is an area of work that will be kept under close review, and the Council will need to make sure any assessments undertaken are required to inform the work that is planned, and that assessments are not carried out too far in advance should regulations, or methods of measurement be expected to change. The Council will of course be making sure its objectives in relation to retrofitting its homes and complying with regulatory standards are advanced through the delivery of its housing capital programme.
- 3.19 Across our corporate and schools' estate opportunities for energy efficiency improvements are regularly identified through the Carbon Management Plan noted above, as well as when capital works are planned. Where proposed energy efficiency improvements are considered to go beyond the improvements necessary under building regulations, funding is regularly requested from Government programmes or Council sources, such as Section 106 carbon offset funding, to enhance the energy performance. Recent examples of this approach include Talacre Leisure Centre, which is seeing heat pumps installed as an addition to the core work of remodelling the café and entrance areas. Similar additionality is proposed at the 2 Prince of Wales neighbourhood hub.
- 3.20 **Recommendation 4** Camden must smooth the pathway for community energy groups such as Power Up North London

- 3.21 Officer Response Actions relating to Recommendation 4
- 3.22 The Council has successfully piloted community financed renewable energy installations with Power Up North London at Hampstead, Regent High and Parliament Hill schools, as well as Talacre Leisure Centre. The projects have been delivered at no capital cost to the Council, while securing low cost, zero carbon electricity supplies for the host buildings.
- 3.23 Officers support the proposal to continue working with community energy groups such as Power Up North London. The appointment of a community energy partner falls under Procurement Act regulations, as the partner is effectively exploiting Council assets over time for the benefit of the community energy organisation and wider community, and the programme therefore requires a competitive tender with a view to concession contract award.
- 3.24 Pre-market engagement was carried out to appoint a new community energy partner over August and the decision to proceed with the procurement was approved at officer procurement board on 7 October 2025.
- 3.25 Officers are developing the required tender documentation to enable the procurement with a view to tendering for a community energy partner in early 2026. At the same time, a pipeline of six to eight schools suitable for community energy investment have been identified.

4. SUMMARY OF ACTIONS

What	When	Lead
Recommendation 1		
To continue to explore new forms of finance	Ongoing	Head of Finance
Recommendation 2		
Actions agreed and underway. Commitment to refresh the Carbon management plan and retrofit pipeline in 2026 subject to funding	March 2027 review	Head of Climate Air Quality and Energy
Recommendation 3		3,
Assess the impact of finalised proposals for Minimum Energy Efficiency Standards for social housing and how compliance can be measured and advanced through the housing capital programme.	March 2026	Head of Property Asset Management, Homes and Communities
Recommendation 4		
Complete procurement of community energy partner	March 2026	Head of Climate Air Quality and Energy

5. LEGAL IMPLICATIONS

5.1 The Borough Solicitor has been consulted and has no comments to add to this report.

6. FINANCE IMPLICATIONS

- 6.1 The recommendations in this report primarily relate to capital investment. The Council's capital programme is funded from a number of sources government grant, revenue contributions, capital receipts, developer contributions such as Section 106 funds, external investment or borrowing.
- 6.2 The Council's level of borrowing depends on its capacity to pay the financing costs. The Council is under considerable financial pressure so its ability to take on new borrowing to fund capital investment is severely limited. Therefore new investment in low carbon environments ideally needs to be funded either from sources that have no ongoing financing costs (grant, revenue contributions or developer contributions) or in schemes that generate income or a revenue saving and so can support financing costs (either for direct investment by the council or external investment).

7. ENVIRONMENTAL IMPLICATIONS

7.1 This report focuses on the climate programme and its financing. The failure to finance the programme has potential environmental, social and economic consequences for Camden.

8. APPENDICES

Appendix 1 – Councillor Burrage's Cabinet advisor report

REPORT ENDS