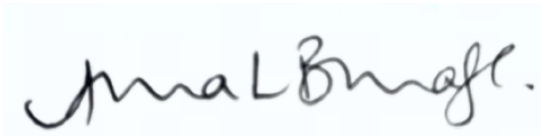


<b>LONDON BOROUGH OF CAMDEN</b>	<b>WARDS:</b> All
<b>REPORT TITLE</b> Low Carbon Environments	
<b>REPORT OF</b> Councillor Anna Burrage, Cabinet Adviser on Low Carbon Environments	
<b>FOR SUBMISSION TO</b> Culture and Environment Scrutiny Committee	<b>DATE</b> 14 July 2025
<b>SUMMARY OF REPORT</b> This report contains the findings and recommendations of Councillor Anna Burrage in her role as Cabinet Adviser on Low Carbon Environments  <b>Local Government Act 1972 – Access to Information</b> No documents that require listing have been used in the preparation of this report.  <b>Contact Officer:</b> Clarissa Torres Cabinet Officer London Borough of Camden 5 Pancras Square London N1C 4AG <a href="mailto:clarissa.torres@camden.gov.uk">clarissa.torres@camden.gov.uk</a>	
<b>RECOMMENDATIONS</b>  <b>Culture and Environment Scrutiny Committee is asked to:</b>  1 Note the report of Councillor Burrage, Cabinet Adviser on Low Carbon Environments; and 2 Discuss and comment on the recommendations made by the Cabinet Adviser, which will be incorporated in a report to Cabinet.    Signed by: <b>Councillor Anna Burrage</b> Agreed by: Director of Finance Date: 2 July 2025	

## **1. Purpose of the Report**

- 1.1 The Leader and Cabinet of Camden Council established two Cabinet Adviser roles to provide evidence-based recommendations and policymaking support to the Council's Cabinet. The Cabinet Advisers are appointed by the Leader in conjunction with the wider Cabinet and Committee appointments made each year. The report appointing Cabinet Advisers for the 2024/25 municipal year can be found as a Single Member Decision by the Leader of the Council in August 2024.
- 1.2 Cabinet Advisers play a special role within the governance framework of the London Borough of Camden. They are appointed annually to engage with stakeholders, conduct research, and develop recommendations in specific policy areas. They collaborate with Cabinet Members, wider elected members, and the community. Cabinet Advisers provide specialist expertise, strategic guidance, and critical analysis to Cabinet Members on these policy matters. Their remit is to support evidence-based decision-making, facilitate cross-departmental collaboration, and ensure that the Council's priorities are delivered effectively and efficiently.
- 1.3 The Cabinet Adviser roles are non-executive positions and do not sit as part of the Cabinet, nor do they hold decision-making powers. Instead, they focus on collaboration and providing recommendations to the Cabinet and relevant portfolio holders. As trusted partners to Cabinet Members, Cabinet Advisers engage with stakeholders, community groups, and officers to gather insights and champion innovation. They play a key role in shaping policy direction, monitoring progress, and ensuring the Council's work aligns with local needs and broader legislative requirements. Cabinet Advisers are also expected to present their findings to Scrutiny Committee in its policy and oversight function, providing opportunities for discussion and response from the relevant Cabinet Member(s).
- 1.4 Following this, their report will be submitted to Cabinet along with a summary of the Scrutiny Committee's views and a response from the relevant Cabinet Member. This process allows the Cabinet to consider the report, the views of the Scrutiny Committee, and the Cabinet Member's response together, before formally deciding whether to accept the recommendations.
- 1.5 Councillor Anna Burrage was appointed as the Cabinet Adviser on Low Carbon Environments to help identify funding opportunities, assess risks and benefits, and ensure that robust financial strategies and partnerships align with Camden's climate ambitions. This report presents an overview of key considerations related to investment in community energy initiatives within Camden. It highlights the alignment of proposed actions with the borough's climate and community objectives, ensuring an evidence-based approach for Cabinet review and approval.

- 1.6 Among the notable findings are insights into the benefits and drawbacks of the Community Municipal Investment in raising capital for decarbonisation, and a review of the community energy landscape, emphasising the potential for frameworks that empower local groups, such as Power Up North London, to engage in retrofitting council assets.
- 1.7 The report also outlines the vital role of Camden's Environment and Sustainability team in developing a pipeline of opportunities and securing stakeholder engagement to facilitate the work of a local community energy group, alongside the focus of the Finance team on leveraging large-scale funding to achieve ambitious decarbonisation of the borough.

## **2. Introduction**

- 2.1 As the Cabinet Adviser on Low Carbon Environments for the London Borough of Camden, I bring a background in sustainability strategy consultancy, sustainable investment, and community engagement. My appointment reflects Camden's recognition that tackling the climate crisis requires not only ambitious targets but also the financial resources to deliver transformative change. Over the past year, my work has focused on two core objectives: reviewing the efficacy of the Community Municipal Investment (also known as the Local Climate Bond) to determine whether it warrants repeated use, and appraising the role of local community groups in helping Camden deliver on its climate-related commitments.
- 2.2 My remit has included a broad review of existing and emerging funding streams. I have worked closely with Council officers, community organisations, and regional partners to evaluate the financial mechanisms in place to enhance green infrastructure and support low-carbon initiatives, aligning with the borough's [Climate Action Plan](#).
- 2.3 Throughout the year, I have prioritised the identification of realistic and impactful means by which to further Camden's efforts to meet its stated climate targets equitably. This has involved engagement with stakeholder and advisory forums to ensure that funding decisions reflect the diverse needs and aspirations of Camden's residents, recognising that effective climate action must be rooted in the local context and co-designed with those most affected by environmental challenges.
- 2.4 In addition, I have sought to support innovation by exploring emerging and anticipated models of climate finance, such as green bonds and community energy funds, while reviewing the investment landscape for significant changes such as those in the pensions investment sector and other proposed government support. By leveraging

Camden's strengths as a vibrant, forward-thinking borough, my work has aimed to position Camden as a leader in climate finance, capable of attracting investment and delivering projects that set a benchmark for urban climate action across London and beyond.

- 2.5 The urgency of the climate crisis has never been clearer. In 2019, Camden Council declared a climate emergency, committing to ambitious targets including achieving net zero carbon emissions for the borough by 2030. This declaration was not merely symbolic; it was a call to action that recognised the existential threat posed by climate change to Camden's communities, economy, and environment. Since then, the Council has developed its second comprehensive Climate Action Plan, to go out to public consultation later this year, setting out a roadmap for reducing emissions, enhancing resilience, and ensuring a just transition for all residents.
- 2.6 However, delivering on these commitments requires significant and sustained investment. The scale of the challenge is immense: from decarbonising Camden's building stock and transport systems to protecting vulnerable communities from the impacts of extreme weather. Traditional sources of local government funding are insufficient to meet these needs, especially in the context of ongoing fiscal pressures and competing priorities. As such, securing new and innovative sources of climate funding is essential to bridging the gap between ambition and action.
- 2.7 Effective climate funding enables Camden to accelerate the implementation of high-impact projects, unlock co-benefits such as improved air quality and public health, and ensure that the transition to a low-carbon future is inclusive and equitable. It also enhances Camden's ability to leverage additional resources by demonstrating leadership and attracting investment from partners who share our vision for a sustainable borough. Moreover, by embedding climate considerations into financial decision-making, Camden can future-proof its infrastructure, safeguard public assets, and create new opportunities for green jobs and skills development.
- 2.8 But the question remains, in an era when local authorities are under unprecedented financial constraints, how can the Council optimise its relationships with external partners to raise funding and identify opportunities in the most efficient way to meet climate targets?
- 2.9 In summary, this work is central to Camden's response to the climate emergency. By identifying, securing, and deploying resources strategically, we can turn climate ambition into tangible outcomes that benefit all who live, work, and study in Camden. This report sets out my findings and recommendations for how Camden can continue to lead the way in climate finance and its deployment, ensuring that our borough remains at the forefront of the fight against climate change.

### **3. Camden's Climate Finance Innovations – Community Municipal Investment**

#### ***Part 1: Raising Camden's First Community Municipal Investment (Local Climate Bond) with Abundance Investment Ltd.***

- 3.1 In 2022, Camden Council took a pioneering step in local climate finance by launching its first Community Municipal Investment (CMI), also known as a Local Climate Bond, in partnership with Abundance Investment Ltd. This initiative was designed to empower residents and investors to directly support the borough's transition to net zero by 2030, aligning with Camden's climate emergency declaration and the objectives of the [Camden 2025](#) and [Our Camden Plan](#).

#### Purpose and Structure of the Community Municipal Investment

- 3.2 A Community Municipal Investment (CMI) is a loan instrument similar to a green bond, enabling individuals to invest as little as £5 in local projects that reduce carbon emissions. Camden's CMI was structured to raise an initial £1 million, with guaranteed interest payments over the 5-year term and the return of the original investment at maturity. The CMI offered a fixed, low-risk return of 1.75%, comparable to other government-backed investments at the time, providing a potentially attractive and accessible way for residents to mobilise their savings in support of climate action.

#### Strategic Rationale and Community Engagement

- 3.3 The CMI was intended not only to diversify the Council's sources of funding for sustainability-related capital projects but also to foster deeper community engagement. By offering a direct stake in local decarbonisation initiatives, Camden aimed to catalyse collective action and demonstrate the power of community-led finance in tackling the climate crisis. The Council appointed Abundance Investment Ltd. (backed by the Green Finance Institute Ltd.) to provide the mechanism through which investments are made. Abundance Investment Ltd. is the only Financial Conduct Authority-regulated investment crowdfunding platform through which the public can invest in and finance the development of low-carbon and social infrastructure projects.
- 3.4 The initiative was advertised to Camden residents via the Council's usual resident communication channels: emails, website, and social media. Uptake initially went well but just a few weeks into the fundraising period, the Council went into purdah in advance of the May 2022 local elections and all publicity was required to cease. At this point, approximately one-third of the target £1 million has been secured from 'resident' investors (although, as will be explained later, we know now that these were not all Camden-resident).

- 3.5 In order to raise the remaining two-thirds, Camden officers approached a number of well-established borough-based businesses to lobby them for their participation and, after three such organisations agreed to contribute, the Council was ultimately successful in fulfilling the £1 million investment target.

#### Project Delivery

- 3.6 Projects funded in Camden included new Healthy School Streets on Belsize Lane and Lyndhurst Gardens. Many schools suffer from parking, traffic congestion, road danger, and air quality issues immediately outside their school, which has negative impacts on school children and their parents/carers, teachers, and local residents. This investment brought the total number of Healthy School Street schemes in the borough to 24, covering 30 schools. Healthy School Street implementation accounted for £155,047 of the funds raised.
- 3.7 The Council also invested £373,231 in clean transportation, with 8 new fast electric vehicle (EV) charging points. Installation was completed in March 2023 and the charge points are operational in the Fortune Green, Hampstead Town, Highgate, and Regent's Park wards. The second phase has provided match funding for a further 32 EV chargers.
- 3.8 Finally, £471,721 was also used to help fund solar power at Henderson Court, an Age UK Sheltered Housing facility in Hampstead, as well as the replacement of Camden's fleet of diesel and petrol vehicles with greener alternatives.
- 3.9 Since deploying the capital and now being three years on from the fundraising phase, Camden has sent out investor updates via the Abundance platform, the last of which was in June 2024 informing investors of the areas in which their money had been invested. Customers were also advised of the option to forego and reinvest their interest payments, should they wish, which would be put towards tree planting in the borough.

#### ***Part 2: Evaluation of the Community Municipal Investment (CMI) Mechanism***

- 3.10 For the purposes of assessing the usefulness of the CMI as a fundraising and community engagement mechanism, a series of interviews were conducted with Camden stakeholders and other local authority portfolio holders and officers, including representatives from Islington, Hackney, Southwark, Bristol, and Brent. In January 2025, an inaugural meeting was hosted by Abundance and the Green Finance Institute of the group that would become the CMI Steering Committee, attended by representatives of many local authorities that have or will be issuing CMIs. CMIs were also discussed at the Local

Government Pension Scheme (LGPS) conferences during the year. Challenges and benefits mentioned during these discussions were noted.

### CMI as an Additional Means of Fundraising for Camden

- 3.11 The Community Municipal Investment (CMI) offers Camden an alternative and supplementary avenue for raising funds. Unlike traditional mechanisms such as loans via the Public Works Loan Board (PWLB), Community Infrastructure Levy (CIL), Section 106, capital receipts, external grants, or reserves, the CMI stands out as a novel approach.
- 3.12 While it is sometimes promoted as a potential catalyst for attracting larger investments—particularly with match funding from organisations like the Esmee Fairbairn Foundation and potential corporate sponsors—there is little evidence that local authorities themselves have used the CMI to raise matching funds.
- 3.13 Nonetheless, the landscape of community fundraising is broader, with options such as Power Up North London (PUNL) also available and to be explored later in this report.

### Cost of Capital of CMI Relative to Other Means of Investment

- 3.14 When comparing the cost of capital, the CMI’s competitiveness has diminished over time. A comparison with alternatives such as the PWLB, UK Municipal Bonds Agency (UKMBA), and banks reveals that the CMI may no longer be the most cost-effective option for local authorities. Repaying investors through the CMI requires providing a return on investment, typically funded in the same way as PWLB-raised capital.
- 3.15 However, there is a question as to whether CMI funds would be better allocated to revenue-generating activities, ensuring the investment is self-sustaining. Retail investors, being sensitive to interest rates, expect returns comparable to Individual Savings Accounts (ISAs). That said, some local authorities believe that local investors might accept lower returns if their investment is perceived as contributing to the public good, and indeed some investors have been willing to forego their interest payments so that they can be reinvested.

Year	Example CMI rate	Example PWLB rate	NS&I cash ISA rate	Other cash ISA rates	Notable Council CMI issuances
2021	1.2%	1.5-2.5%	0.1%	-	Warrington, West Berkshire
2022	1.55-1.75%	2.0-2.5%	0.35-1.75%	-	Camden, Islington

2023	2.1%	4.4%	2.15-3.0%	-	Cotswolds, Telford & Wrekin
2024	4.2-4.85%	4.8%	3.0%	-	Westminster, Lewisham, Hammersmith & Fulham
2025	4.0-4.6%	5.2%	3.0-3.5%	4.0-4.8%	Southwark, Oxfordshire, Hackney, Bristol, Hammersmith & Fulham

### Market Maturity and Provider Monopoly

- 3.16 The CMI market is still in its infancy, especially when measured against other well-established investment sectors such as pension investments, which boast a vast array of providers. Currently, Abundance is the sole licensed provider of the CMI product across the UK. This lack of competition is problematic and poses a potential risk to Camden.
- 3.17 In contrast to the Local Government Pension Scheme (LGPS) investment process—where multiple investment management companies compete for business—Abundance enjoys a monopoly. This distinction was underscored at a Green Finance Institute and Abundance event in March 2025, where efforts were made to establish a non-executive steering committee of local authority representatives.
- 3.18 Management fees associated with the CMI are somewhat opaque. Although Camden’s initial fundraising found costs to be marginally lower than those of the PWLB, this advantage appears to be unreliable. Furthermore, Abundance’s retention of customer data prevents Camden from identifying and engaging directly with local investors, undermining the CMI’s potential as a tool for resident engagement.
- 3.19 The single investor platform also places Camden in direct competition with other local authorities, as potential investors can compare interest rates and projects across councils. This competitive environment may erode the local benefit of the scheme, especially as more authorities join Abundance’s platform. If alternative providers were to enter the market, they might address these competitive disadvantages and lack of customer ownership to the benefit of councils.

### Community Engagement and Investor Base

- 3.20 The CMI model’s effectiveness as a means of community engagement is contingent on a predominantly local investor base, which was not the case in Camden. During Camden’s 2022



fundraising round, only 31 local retail investors contributed a total of £54,273, averaging £1,751 each. By contrast, 364 external retail investors from outside Camden invested an average of £968 each. Notably, three Camden-based business investors contributed £593,486 in total, accounting for nearly 60% of the funds raised.

- 3.21 Similarly, across the UK, of the combined total of £11.4 million raised via CMI to date, just £2.2 million or 19% has been invested by 'local' investors.
- 3.22 Since Abundance retains ownership of the investor base, all communications are channelled through its mailing list rather than Camden's own contact lists, limiting opportunities to foster deeper relationships with local investors.

#### Impact on Climate Objectives

- 3.23 One of the significant advantages of the CMI is its ability to deliver visible, place-based impacts by directing 100% of the investment towards sustainable projects. Some councils have used CMI funding to support existing net zero initiatives, while others, like Camden, have created additional activities that would not have been possible otherwise.
- 3.24 In Camden, the £1 million raised through the CMI has been effectively used to improve low-carbon transport, install solar panels, and create more Healthy School Streets. Yet, this sum is negligible compared to the estimated £10 billion required to fully decarbonise the borough, representing just 0.01% of the total.

#### Resource Intensity and Scalability

- 3.25 The process of raising funds through the CMI is resource-intensive. While Camden's standard communication channels secured one-third of the target sum, more intensive engagement was necessary to achieve the remaining two-thirds. If future rounds are considered, a more robust engagement plan involving additional teams, such as the Participation Team, would be essential. Some councils have used the CMI as a tool for the financial education of young people, but such initiatives are unlikely to significantly increase the sums raised and may reach a very small number of young people.
- 3.26 The £1 million target is not universal; some councils have opted for smaller or split funding rounds. Scalability remains a concern as each round requires substantial officer input, and unless a continuous programme is established, the resource demands will persist. To address this, one council proposed raising multiple rounds up to £5 million without repeated administrative approvals, aiming to save time and costs.

- 3.27 Timing is another consideration, as council-administered fund launches are restricted during election periods, as experienced in Camden in 2022. If fundraising is managed by third parties, these restrictions may not apply. Finally, while Camden's officers are highly regarded, their capacity is limited. Resources devoted to launch, promote, and manage the CMI may not represent the most efficient use of officer time, especially given the limited impact of the funds raised. Other councils, such as Southwark, have appointed dedicated officers to seek innovative funding opportunities specifically for climate action.

#### Future Funding Mechanisms

- 3.28 The UK Pension sector is in the process of undergoing reform. On 29 May, the government published its 'Fit for the Future' strategy for the Local Government Pension Scheme (LGPS) which aims to strengthen and streamline the scheme through asset pooling, improved governance, and increased scale. These changes are designed to reduce fragmentation, boost efficiency, and ensure long-term sustainability while supporting local economic growth.
- 3.29 The strategy requires administering authorities to set local investment targets, collaborate with local authorities to identify opportunities, and report on local investment impact. The concept of 'local' is yet to be clearly defined but there is anticipation that there will be an expectation for the LGPS to make significant investments into clean energy. The government will be encouraging the pools to support the UK's clean power targets, and major LGPS pools – including the London Community Investment Vehicle (LCIV) of which Camden is an influential part – are already collaborating to mobilise pension capital for renewable energy and net zero goals.
- 3.30 The LGPS across the UK is currently worth around £390 billion; Camden's own pension fund is £2 billion of the combined, or pooled, LCIV value of £34 billion.
- 3.31 Even if only a small fraction of this is directed towards local investment, the scale of future investment via the LGPS in order of magnitude is larger than any potential scaling up of the CMI. Commentary from within the LGPS sector asserts that the challenge ahead will not be the access to funds to support renewable energy locally, as has been the case, but the identification of opportunities into which funds can be invested. Under the new proposed arrangements, whilst the council as Administering Authority can identify and put forward local investment opportunities as part of its investment strategy, it will be the pool that ultimately chooses when and where investments are made. This points to the need for Camden to create a pipeline of suitable investment projects as will be proposed in the next section.

- 3.32 Another likely future funding stream is the Local Power Plan, a key component of the Labour Party's Clean Power Plan, that aims to support the development of local, community-led renewable energy projects. It involves funding local authorities and community energy organisations with grants and low-interest loans to invest in clean energy projects like solar and wind power. The plan seeks to create a more distributed energy system, reduce reliance on the national grid, and empower local communities to participate in the energy transition.
- 3.33 The June 2025 Spending Review confirmed £8.3 billion of spending for GB Energy including nuclear and £9.6 billion in 'additional financial transactions, such as loans and equity investments, to support growth'. The value of the Local Power Plan proposal is estimated to be £1 billion annually, of which 60% will go to local authorities and 40% to community energy groups directly ([Make-Britain-a-Clean-Energy-Superpower](#)). Again, if Camden is ready to secure a portion of this, the challenge will be not where the money is coming from, but what to spend it on.

#### **4. Camden's Climate Finance Innovations – Community Energy Initiatives**

##### ***Part 1: Delivery of Solar Energy Installations on Camden Schools with Power Up North London***

- 4.1 Alongside its work on green finance initiatives, Camden has prioritised direct investment in renewable energy, exemplified by its partnership with Power Up North London (PUNL) to deliver solar installations on local schools.

##### Camden Schools Solar Project: Community Investment in Action

- 4.2 In 2024, PUNL launched the "Solar for Camden Schools" community share offer, aiming to raise £130,000 to install solar panels on Parliament Hill and Regent High secondary schools. This project builds on PUNL's track record in Camden, including the successful 2023 installation at Talacre Sports Centre, funded by an £80,000 community share offer and Hampstead School. The schools offer was met with enthusiastic support, raising £136,200 from a mix of residents, businesses, and community organisations. Notably, substantial investments came from King's Cross Central Limited Partnership (£50,000) and Somers Town Community Sports Centre (£20,000), alongside contributions from Circle Square members.
- 4.3 In addition to the share offer, PUNL secured £75,000 in grant funding, including £50,000 from Camden Council and £25,000 from the Mayor of London's Future Neighbourhoods initiative. This blend of community investment and public grants ensured the project's financial viability and maximised its social impact.

## Project Delivery and Impact

- 4.4 Once suitable school sites were identified by Camden and the occupants involved, a business case was created based on the number of solar panels it was possible to install. This detailed how much electricity would be produced and the savings the school would benefit from. In the case of Regent High, the panels provide 15-20% of the school's electricity supply.
- 4.5 The solar installations were completed during the 2024 summer holidays, with live updates provided to the community throughout the process. The arrays, comprising 400 panels, are expected to save over 30 tonnes of CO<sub>2</sub> annually and provide cheaper electricity for both schools. The share offer's terms allow investors to be repaid their capital annually over twenty years, with a projected 4% interest rate, demonstrating the potential for community energy to deliver both environmental and financial returns.
- 4.6 Collectively, these initiatives showcase how local partnerships and community finance can accelerate Camden's transition to renewable energy, directly involving residents and businesses in the borough's climate action journey.

## Broader Significance

- 4.7 The Camden Schools Solar Project exemplifies the Council's commitment to inclusive, locally driven climate solutions. By leveraging community investment and grant funding, Camden has not only expanded its renewable energy infrastructure but also fostered a sense of collective ownership and empowerment among residents. These efforts contribute directly to the borough's net zero targets and serve as a model for other local authorities seeking to mobilise community resources for climate action.
- 4.8 The partnership with PUNL has shown how community energy can deliver tangible environmental and social benefits. Together, these initiatives underscore Camden's commitment to a just, inclusive, and effective transition to net zero.

## ***Part 2: Evaluation of the Role of Community Energy Groups***

- 4.9 Taking a step back to review the wider landscape, it is clear that community-led renewable and low-carbon energy generation initiatives have many positive environmental, economic and social benefits. In partnership with local authorities, community energy groups unlock far greater potential for positive impact and engagement than local authorities can achieve alone. According to a report, *Community Energy in Action*, published by the Energy Learning Network in February 2025, these groups play a pivotal role in meeting local climate targets, delivering cost-effective solutions,

strengthening public engagement, tackling fuel poverty and supporting economic regeneration.

- 4.10 The conclusion of the Energy Learning Network's report is this: *"The energy transition is not just about infrastructure and technology – it is about people, fairness, and building a future where everyone benefits. Community energy is one of the most effective ways to ensure that decarbonisation strengthens communities rather than leaving them behind. By increasing participation, building trust, and delivering real local benefits, community energy enables people to engage meaningfully with net-zero goals. It ensures that the transition is not only environmentally necessary but also socially just, supporting stronger, fairer, and more resilient communities across the UK."*
- 4.11 Across London, there are at least 30 community energy groups – and many more that provide advice rather than deliver projects – but each one tends to cover a distinct area. In Camden, the most well-established and recognised group is Power Up North London. PUNL's team is an impressive group of volunteers with professional expertise in sustainability, engineering, architecture, project management, housing and finance, and they deliver solar and heat projects from start to end; feasibility, fundraising and share offer, project management, to post-delivery support.
- 4.12 To date, as previously described, PUNL has been involved in the delivery of several successful solar projects involving Camden-owned roof space on schools and leisure facilities. The challenge now is to determine how to scale up their work in collaboration with Camden.

#### Scaling Up Collaboration

- 4.13 Camden's partnership with PUNL has so far been on an ad hoc basis and, although the partnership has been very successful so far, to facilitate the delivery of a larger number of projects there will need to be the streamlining of processes. Across London, this challenge has been met in a variety of ways by other councils such as Ealing and Hackney that partner with community energy groups.
- 4.14 Lessons are now ready to be shared; to this end, London Councils have recently set up a working group to develop a 'toolkit' to assist local authorities in overcoming the barriers of working with external community-based partners to deliver community energy projects. This is expected to take several months to come to fruition. In the meantime, PUNL have shared their experience and what it would take to overcome the obstacles they've encountered. These are outlined below.

## Creating a Retrofit Project Pipeline

- 4.15 The critical limitation to scaling up the installation of renewable or low-carbon energy solutions is the identification of suitable sites upon which to locate the installations. Camden is the owner of an immense portfolio of over 33,000 residential properties and hundreds more non-residential assets – leisure facilities, community centres, healthcare buildings, education facilities, logistics hubs etc. Many of these are very old and inefficient and would benefit from retrofitting.
- 4.16 In any retrofit programme, especially for old buildings, a comprehensive evaluation of the existing building is required to understand its current condition, energy performance, and potential for improvement. This includes assessing the building's fabric, systems, and occupants' needs.
- 4.17 In almost all cases, the most important first step will be the improvement of insulation and energy efficiency to reduce base-level energy consumption. Thereafter, once energy requirements are well understood, a decision can be taken on the relative benefits or drawbacks of installing solar panels or heat pumps (or wind turbines, but these are less suitable in built-up areas).
- 4.18 This is in itself an enormous endeavour for Camden to undertake but work has started both in residential, via the [Retrofit at Scale](#) pilot programme (a landmark project to install solar panels and battery storage to around 3,000 or 9% of council-owned homes, part funded by an institutional investor), and non-residential via projects with PUNL and multiple phases of government-issued Public Sector Decarbonisation Scheme funds used to retrofit Swiss Cottage and other facilities. Once suitable assets are identified, PUNL – or other community energy groups should they exist – potentially have more capacity than the Camden team to take on the fundraising and project delivery to bring the projects to fruition. The Council's role in creating the long list of suitable assets is, therefore, the essential first step. Of this long list, PUNL foresees that they would have the capacity to deliver 50-100 over the next 5 years.
- 4.19 Also worth noting is that while solar panels provide a good opportunity for local investment because they generate a reliable financial return for the investor (through the sale of the generated electricity), heat pump installation is not conducive to the same model as this technology actually uses a small amount of electricity and generates heat which is not a sellable commodity. Therefore, discretionary council funds for use towards reducing building-related carbon emissions should ideally be directed towards the installation of heat pumps rather than solar panels.

### Securing Occupant Participation

- 4.20 A significant time and resource-intensive activity for PUNL and council officers has been the task of presenting the case and persuading operators of Camden-owned buildings – i.e. schools – to collaborate with PUNL and allow solar installation.
- 4.21 Thanks to the efforts of teams at Regent High and others, the business case is now established and the process has been shown to create minimal disruption as installation was timed to coincide with school holidays. According to one school Business Manager, the PUNL team have been helpful, considerate and persuasive throughout, speaking to school leaders, governors and students to explain their objectives and the benefits for the school, and tenacious in working through the contractual issues with Camden and the school to establish the legal framework required for a 20-year contract.
- 4.22 However, even with multiple compelling cases having been demonstrated, there is still hesitancy from other schools that might be suitable sites, and even from officers from Camden departments whose remit does not explicitly involve sustainability.
- 4.23 This points to a wider problem which is that, although Camden has set ambitious climate-related targets, there is the belief that ‘sustainability’ belongs to a specific group in the council. Not all individuals – or departments even – understand the need for everyone to make changes to their usual operations to make progress towards those targets. Camden could address this in two ways: either (for preference) by central mandate, i.e. a Cabinet decision that all council-owned facilities must have a review of their future decarbonisation options by a given date and commit to appropriate change, and/or, as a minimum, make sustainability part of the mandatory training across the council and for any organisation dependent on financial support from it. The message needs to be received and understood change is coming and it is urgent.

### Procurement of PUNL’s Services

- 4.24 Local authorities are required to use a fair and consistent process when appointing a service provider to deliver services on behalf of the council. The new Procurement Act came into force in February 2025 and now covers ‘concession contracts’, defined as a contract for the supply, for pecuniary interest, of works or services to a contracting authority where:
- a) at least part of the consideration for that supply is a right for the supplier to exploit the works or services; and
  - b) under the contract the supplier is exposed to a real operating risk.

- 4.25 At present, an agreement with PUNL would probably fall within this as Camden is allowing them to make use of local authority-owned roof spaces from which they gain an income. By agreeing to this, Camden is transferring the risk, including real operating risk, to PUNL.
- 4.26 To confirm that this treatment of procurement for work carried out by PUNL is the correct approach, Camden will need to go through a series of steps: first, Camden needs to gather income/revenue (excluding investment) information from existing sites and the proposed sites. This will determine whether it stays within or exceeds the procurement threshold for concession contracts, currently set at £5,372,609 inc. VAT (to be adjusted by government annually).
- 4.27 Thereafter, the process will be determined by the availability of suitable service providers operating in Camden's locality. As previously stated, PUNL is well established in Camden and is strongly positioned to be one of, if not the only for the time being, service providers. This is crucial for PUNL as they need certainty upon which to base their own business plan; the sooner the procurement piece is established, the quicker the group can go ahead with delivering on the projects already on its radar.

#### Financial Considerations

- 4.28 With PUNL rather than Camden raising the funds itself, the local authority would potentially become an investor in share offerings and projects delivered by PUNL. Subject to certain conditions, Camden is able to (and does) use Section 106 carbon offset generated funds, rather than borrowing, to participate in these projects.
- 4.29 Camden would potentially invest at a discounted rate of return relative to other investors, e.g. 2%, not 4%, allowing PUNL to sell power to host buildings at a lower cost. Camden's 2% return could then help to fund other climate-related projects. PUNL is currently limited to a maximum of £100,000 holding by a single investor but is able, if necessary, to set up a special purpose vehicle for investments above that threshold.
- 4.30 Another benefit to Camden procuring the services of a private third party to deliver community energy projects is that the private entity may be able to access corporate ESG financing options inaccessible to public bodies. Even in the current less stable international political climate, there is still recognition of the environmental challenges ahead and private institutional finance is available for small to mid-size groups making positive efforts to contribute to carbon mitigation initiatives. PUNL can take advantage of these for Camden's benefit.



## Legal Considerations

- 4.31 In many cases, any renewable/low-carbon energy installation will need to go through a planning application process. This is time-consuming and resource-intensive for the delivery team. PUNL has had a range of requests from the Camden planning team, from full architectural drawings and extensively detailed application, to minimal details utilising photos of the intended site with a brief description of plans. For the sake of expediency and good use of resources, the information requirements of the planning team should be minimised.
- 4.32 Standardisation of legal contracts is another area that would benefit from being streamlined. Again, given that there is now a well-established precedent with contracts in place between PUNL as developer-operator, Camden as freeholder and various third parties, contractual negotiations should be less protracted. Ideally, a standard template by type or building/facility can be established along with the expectation that this template will cover almost all circumstances.
- 4.33 It is important to note that contracts for solar installations will tie up building roof space for 15-20 years. It is therefore relevant to note that the stability of the asset be considered (e.g., if there is any expectation that the building will change ownership or function). This would be just one minor resolvable consideration should there be any such change.

## Reaching Potential Investors

- 4.34 As of March 2025, PUNL – with their team of volunteers and just one paid administrator – has raised £350,000 via six share offers involving 244 investors. They have done this by tapping into local networks and placing advertisements in north London press outlets. When including grants, their team has raised over £700,000 of funds.
- 4.35 By providing PUNL with access to Camden’s extensive communication channels and working in partnership with the Camden Comms team, PUNL believes it would be able to reach and convert many more people to participate in fundraising initiatives. Allowing PUNL access in this way will increase their reach and visibility, give them enhanced credibility and allow them to deploy resources efficiently.
- 4.36 With this ‘co-branding’, benefits to Camden of this arrangement would be that it is demonstrating real partnership with its community and commitment to enabling the decarbonisation of the borough by all available means, thus adding credibility to the council’s efforts too.
- 4.37 Given the impetus for Camden to generate a pipeline of suitable solar projects for PUNL to deliver, it would be advisable for PUNL to create an ongoing fundraising campaign rather than sporadic, project-

specific raises for each one. That way fundraising and delivery can happen in tandem. As the funding target for a project is in sight, the next project would be 'soft' launched, potentially before formal legal contractual arrangements have been finalised.

#### Collaborative Working with PUNL

- 4.38 PUNL's main point of contact for their work with Camden has been Harold Garner, Head of Climate, Air Quality and Energy, within the Supporting Communities Directorate. There is a high degree of mutual trust and respect between Harold's team and PUNL – as there is for both groups across the local authority sustainability sector in London. However, the capacity of Harold's small team is limited. It would be helpful going forward for Camden to appoint a 'champion' to act as relationship manager from within each department, e.g., education, health, leisure, voluntary and community sector (VCS), etc. who is well briefed and has a good understanding of the aims of the Camden-PUNL collaboration.
- 4.39 PUNL's core and clearly evidenced capability is in the installation of solar PV (photovoltaic, i.e., renewable electricity generation); for this, in the short term, there is ample work to be progressing across the Camden estate. Going forward, PUNL is looking to increase the breadth of its service offering from solar to LED lighting, insulation, renewable heat installation, and retrofit project management (where fundraising is not required). Camden should be open to working with PUNL on these as opportunities arise. Alongside these, PUNL can help Camden deliver retrofit training, energy-saving clubs and educational programmes, as already demonstrated by their work within schools. Recognition of the social value that PUNL can bring to Camden's population by deploying their team's skills in this way may provide a basis, going forward, for PUNL to secure core funding from Camden or other institutions keen to support decarbonisation and a just climate transition.
- 4.40 As their organisation grows to meet increased public and private sector demand for decarbonisation, PUNL is keen to partner with Camden employees by exploring secondments to upskill employees and provide volunteering initiatives. These opportunities can ultimately help Camden meet its climate ambitions more quickly by equipping staff from a wider range of backgrounds with the skills and knowledge to positively influence decisions taken by their departments.

#### **5. Final Recommendations (subject to formal decision making)**

***A second round of CMI funding should not be initiated at present; focus should be on attracting larger funding opportunities***

- 5.1 Camden should refrain from launching another round of the Community Municipal Investment due to the challenges described above, including limited in-house resource availability. The Finance team should instead prioritise securing larger investments from local pension funds and other government sources to bolster the council's financial strategies in achieving climate commitments.

***The Environment and Sustainability (E&S) team should focus on decarbonisation project pipeline development and providing education on decarbonisation across the council***

- 5.2 Identification of suitable retrofit carbon abatement opportunities across community facilities and securing buy-in from stakeholders within the council are two critical and extensive workstreams. The E&S team are central to both the creation of a project pipeline and streamlining it so that stakeholders know change is coming, i.e., all buildings and facilities have to be decarbonised eventually. Carbon abatement of the Camden Estate itself is not the job of a single person or group; it must be integral to everyone's role. This must be communicated strongly, and the E&S team are central to equipping other departments and teams with the knowledge of how it can be achieved. Camden's Carbon Management Plan ([Our carbon reduction programme - Camden Council](#)) has already delivered substantial and impactful results, and amplifying the need to decentralise responsibility for decarbonisation will boost the programme's potential as more people become aware of the impact they can have when taking decisions.

***All buildings undergoing capital works should consider the potential for retrofit***

- 5.3 When spending money on capital works in residential or non-residential buildings, Camden should consider retrofit options either at the time or at least in ways that do not prevent it being done in the future. Financial, material and human resources are scarce; they should always be invested prudently with the objective of decarbonisation which saves both energy and money in the longer term.
- 5.4 It is noted that the Council has a stock wide assessment of how it might meet carbon abatement targets, based on condition and attribute data; but when designing actual works to a property a much more detailed assessment is required, although EPCs or Display Energy Certificates with associated recommendation reports could also be used to guide work.
- 5.5 Due consideration should be given to a buildings' SAP (Standard Assessment Procedure) or Energy Rating in all capital works to a building's fabric or infrastructure, e.g. a home, office or school etc., with a view to ensuring that the proposed works capture technically

and financially available opportunities to improve the energy performance, particularly where this work may mean the building secures at least a SAP rating of “C”, and/or may enable the works to qualify for grant funding.

- 5.6 Where large scale capital works are undertaken to the Council’s homes, e.g. the replacement of key components such as window, roofs or heating, it is also recommended that the Council considers that a sample of homes have a retrofit assessment to support the Council in long term investment planning towards its carbon reduction targets.

***Camden must smooth the pathway for community energy groups such as Power Up North London***

- 5.7 Camden cannot achieve decarbonisation at scale alone. As a borough, we are fortunate to have one of the most enthusiastic and knowledgeable community groups offering us their partnership with demonstrated capability to deliver solar projects in the borough and enthusiasm to expand their offering. To facilitate collaboration, the council should:

- a) establish streamlined communication with PUNL via a dedicated liaison officer
- b) simplify the procurement process such that repeat decisions are unnecessary
- c) wherever possible, create a standardised and streamlined planning application and legal process for project proposals, and
- d) provide access to Camden’s communication channels to facilitate community engagement
- e) be ready to implement findings and recommendations from the forthcoming LGA review of Community Energy (<https://www.local.gov.uk/parliament/briefings-and-responses/lga-sustainability-briefing-community-energy>)

- 5.8 As their service offering expands, Camden should seize the opportunities PUNL offers and continue to engage and support them to maximise the benefits of joint working.

**6. Acknowledgments**

Thanks to Harold Garner, Daniel Omisore, Jonny Lam, Anna Woodeson, Tanuja Pandit, and Syed Ahmed for their input, and to other interviewees, including those from other boroughs, who kindly shared their time and thoughts.

**7. Finance Comments of the Executive Director Corporate Services**

The Director of Finance was consulted during the research for this report and financial considerations are included in the main body of

the report. The financial implications of the recommendations for the council will be included in the report to Cabinet.

**8. Legal Comments of the Borough Solicitor**

Legal comments have been incorporated.

**9. Environmental Implications**

All the programmes and work outlined in this report have positive environmental implications for Camden and are built from, or strongly aligned with, the Camden Climate Action Plan, Biodiversity Strategy, and Clean Air Action Plan.