Committee:	Cabinet	**Date:** Tuesday 16 December 2025
Title:	London Road Decarbonisation Project	
Portfolio Holder:	Cllr Neil Reeve, Portfolio Holder for Environment and Climate Change	
Report Authors:	Ben Brown, Director of Environment & Climate Change Adrian Webb, Strategic Director of Finance, Commercialisation & Corporate Services	**Key decision:** Yes

Summary

1. The Council has a net zero target and a strategic corporate priority to protect and improve our environment by reducing the council's carbon footprint.

2. The London Road Decarbonisation Project has been developed and is expected to deliver a reduction in UDC operational carbon emissions of circa 2,000 tCO_2e[1] over the lifetime of the installation (around 91 tonnes per year), together with providing a case study for decarbonisation of a complex historic building.

3. Grant funding of £626,299 was secured to support delivery of the project and the Council committed an initial £90,681 match funding pending completion of detailed design work.

4. Completion of detailed design, planning and listed building applications, and tender processes has enabled officers to confirm the total investment required to deliver the project in full.

5. The project will decarbonise the heating system of the historic, listed London Road office building, materially improve the building fabric, and introduce renewable energy generation on site.

6. The total cost of project delivery is expected to be £1.343 million, including a 15% contingency on the tendered price.

7. Based on an expected small reduction in the grant money allocated to UDC arising from minor design changes, the Council will need to increase its match funding contribution from the original £90,681 committed to a total of £741,373.

[1] **tCO2e** stands for **tonne of carbon dioxide equivalent**, which is a unit used to measure the potential impact of various greenhouse gases. It allows for the comparison of the climate impact of different gases by converting their emissions into a standardized metric relative to carbon dioxide (CO2).

8. The additional funding requirement will be met through borrowing. The interest costs of borrowing over a 15 year period will be £286,528.

9. The borrowing period is less than the lifetime of the in-scope equipment, with the exception of the building management system.

10. The annual cost of interest and capital repayment will be £61,182, which will be met through savings identified as part of 26/27 budget setting and in subsequent years will be part of general fund expenditure.

Recommendations

11. Cabinet
    a. Confirms the project is to continue, and;
    b. Instructs Officers to build an additional £650,692 into the 26/27 capital programme.

Financial Implications

As set out in this report

Background Papers

12. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

    a. Cabinet Paper 18 November 2024
    b. Decision Record Cabinet Meeting 18 November 2024

Impact

13.

Communication/Consultation	Tenants and users of the London Road Office building will be updated regularly during the works
Community Safety	No impact
Equalities	The project described in this report is not expected to disproportionately impact either positively or negatively on any groups with protected characteristics.
Health and Safety	The Council will notify the Health & Safety Executive of upcoming works. The Council will be appointing a Prime Contractor who

	will have responsibility for managing Health & Safety during the installation works.
Human Rights/Legal Implications	The Climate Change Act 2008 places national targets on the reduction of emissions by 2050. The proposals set out in this report will support the council to achieve its climate change objectives. The general power of competence provided for in section 1 Localism Act 2011, gives the council the power to accept grants as referred to in this report. In-house legal advice has been sought in relation to the grant agreement meaning that the council is clear about its obligations pursuant to the grant funding arrangements.
Sustainability	The project will improve the sustainability and resilience of operating the London Road Office building as set out in detail in this report)
Ward-specific impacts	No impact
Workforce/Workplace	Tenants and users of the London Road Office building will be updated regularly during the works

Situation

14. In 2019 UDC declared a climate and biodiversity emergency and made a commitment to achieving net zero status by 2030. In 2021 the Council approved its Climate Crisis Strategy 2021-30, which included a theme around council assets and operations.

15. In 2024, as agreed in the Climate Change and Biodiversity action plan, consultants were engaged to produce a comprehensive Heat Decarbonisation Plan (HDP) for London Road and Little Canfield Depot and Workshop, to set out how the Council could reduce its direct greenhouse gas emissions on main sites, by replacing fossil fuel heating systems with low carbon alternatives (for example heat pumps, electric heating, Solar panels) for each of the three buildings.

16. The HDP produced for London Road met the funding requirements for the Public Sector Decarbonisation Scheme (PSDS) and a grant application was prepared. Cabinet approved the decision to submit the grant application in November 2024 and officers were asked to set aside funding for the applicant contribution in 25/26 budget. In March 2025 the Council was informed that the

grant application had been successful and the project budget was set at £716,980 comprising external grant £626,299 and £90,681 match funding from UDC.

17. Delivering the heat decarbonisation plan funded by the PSDS is intended to support UDC in decarbonising the London Road Office site in Saffron Walden by replacing the boilers with Air Source Heat Pumps (ASHP). Reducing energy consumption and decarbonising the London Road Office building was expected to contribute to the council's aim of a reduction in UDC operational carbon emissions of circa 2,000 CO2e over the lifetime of the installation, contributing to the UDC net zero target and the strategic corporate priority to protect and improve our environment by reducing the council carbon footprint.

18. The installation was expected to deliver an annual energy bill reduction of c.£17k from installation of Energy Efficiency fabric measures and solar. However it was acknowledged that the higher energy demand to operate ASHPs and uncertainty over future fuel tariffs may lead to higher electricity fuel bills per annum. The increased cost may not be fully mitigated by the installation of solar panels.

19. A secondary benefit is to provide a demonstrator project to residents, the community and businesses in the district by showcasing a successful retrofit project on a complex Grade 2 listed building with modern extension.

20. The original grant application (approved at Cabinet in November 2024) identified a number of risks and assumptions for the project including:
    a. Constraints of time – we must allow requisite time for Listed Building Consent and Planning process timelines, and the delivery of the project, and drawdown of associated grant funding, must be complete by September 2026
    b. External funding - any request for change to project scope would be subject to Salix process and timeline for decision. Year 1 grant funding is limited to £140k in FY25/26 with the remainder in FY26/27.
    c. Design - the project design has to achieve listed building consent and planning permission.
    d. Risk of increase in costs – any additional costs incurred must be met by UDC as the grant funding allocation is fixed.
    e. Delivery - building work will need to be completed with seasonal heating needs and accommodating of tenants in mind and we are reliant on ability to source the PV panels and ASHPs in line with the required capacity and specifications, and that contractor services are available at the seasons required and within the cost envelope.

21. Following formal grant award at the end of March 2025, the Council mobilised the next phase of work.

22. Project Governance was established and aligned to the Blueprint 2.0 programme theme within The Corporate Programme and regular project working groups and boards have been established.

23. A detailed project plan has been developed. Key milestones (subject to governance and confirmation with Prime Contractor) are:

- 19 November 2024 – Cabinet approval of grant application - complete
- 21 March 2025 – completion of formal grant award - complete
- 7 August 2025 – completion of survey and impact assessment work - complete
- 9 September 2025 – Detailed design complete - complete
- 12 September 2025 – submit Planning and Listed Building Consent applications – complete
- 1 October 2025 – Open tender process – complete
- 31 October 2025 – Deadline for tender responses - complete
- 14 November 2025 – Complete tender evaluation - complete
- 19 November 2025 – Planning Approval and Listed Building Consent secured – complete
- End December 2025 – Contract Award
- End March 2026 – Installation of building fabric improvements and solar panels
- End September 2026 – installation of ASHPs and associated works, commissioning and monitoring
- End December 2026 – Project Closure Report

24. Detailed designs have been developed taking into account the requirements of a historic listed building in a conservation area, and building safety regulations. The design process resulted in two small changes to the original design submitted for grant award (to reduce the overall number of solar panels in accordance with advice from the Conservation Officer and to descope installation of suspended ceilings in two rooms and replace with installation of loft insulation and additional radiators in these locations). It is expected that these minor changes arising from consideration of conservation requirements may reduce the external grant award by circa £25k and will reduce the financial benefit from self-generation of electricity, leading to a marginal cost pressure rather than cost saving.

25. An application for planning permission and listed building consent was submitted, supported with detailed specifications, drawings, surveys and impact assessments. The planning application and listed building consent was approved at Planning Committee on 19 November 2025.

26. A procurement process has been delivered inviting bidders to submit tenders for delivery of the full scope of works.

27. The full delivery costs of the project have been updated to reflect outcomes from the tender process and planning consents. The updated project budget requirement is:

Spend Area	Value (estimate)	Financial Year

Development of designs, planning application and listed building consent	£58,000	2025/26
Compliance with Planning conditions, oversight and additional works	£32,000	2025/26 2026/27
Supply and installation building fabric improvements and solar panels	£135,000	2025/26
Supply and installation ASHPs and associated works, commissioning and monitoring	£955,000	2026/27
Contingency	**£163,000**	
Total project cost	**£1.343 million**	

Risk Analysis

28.

Risk	Likelihood	Impact	Mitigating actions
There is a risk that the installation works may cost more than budgeted	2	2	A contingency factor has been included in the total budget aligned to delivery of the project
There is a risk that the installation may not generate sufficient heat during the winter resulting in poor feedback from building users	2	2	The detailed design work has been modelled by external consultancy experts. 'As is' temperature recordings have been taken to inform monitoring and commissioning phase.
There is a risk that protected species are identified during installation	1	2	Ensure project plan allows for required additional ecology survey, and installation works are timetabled for

resulting in a project delay			recommended seasons.

1 = Little or no risk or impact
2 = Some risk or impact – action may be necessary.
3 = Significant risk or impact – action required
4 = Near certainty of risk occurring, catastrophic effect or failure of project.