Camden's Third Climate Budget published as part of the 2026/2027 Council Tax setting report

1. Introduction

1.1. The Council declared a "climate and ecological emergency" in November 2019 and committed to do everything it can to help make the borough of Camden zero carbon by 2030.

1.2. Given that the cost of achieving a zero-carbon borough is estimated to exceed £10 billion over business-as-usual replacement costs, and that the Council only has influence or control over approximately one-third of emissions in Camden, the Council's approach to the decarbonisation challenge sought to galvanise climate action by everyone living and working in Camden through the Climate Action Plan.

1.3. As part of the Council's approach to decarbonising those parts of the borough under its control and influence, the Council operates a Carbon Management Plan for its own estate and operations.

1.4. The Carbon Management Plan forms part of Camden's new Climate Action Plan 2026-30, which sets out a five-year programme to help make Camden a resilient, inclusive, and climate-ready borough where people, organisations, buildings and public spaces are equipped to help tackle the climate crisis and adapt to its impacts in a way that improves the day to day lives of the community.

1.5. This Climate Budget provides transparency on progress and funding secured towards the decarbonisation of our own estate and operations through the Carbon Management Plan.

1.6. The information provided in this Climate Budget describes the position at the end of the 2025 calendar year in anticipation of the 2026/27 financial year.

1.7. The scope of the decarbonisation programme for our own estate includes schools, corporate buildings, leisure centres, libraries and our fleet but excludes housing. The scope excludes housing because the Council has limited visibility on carbon emissions that result from energy consumption in homes as two-thirds of Camden's c.33,000 Council homes are subject to private metering and billing arrangements for electricity and gas.

1.8. In summary, Camden has spent or allocated £29m to decarbonisation projects across our own estate and operations since the 2022/23 financial year, of which £12m was secured through grant funding. These projects are forecast to decrease emissions by more than 1,250 tCO_2e annually.

1.9. The Council has supplemented successful Government funding applications with its own budgets and local carbon offset funds. This approach has enabled budgets to be leveraged effectively, maximising their utility and delivering greater carbon savings as a result.

1.10. However, making the Council's own estate and operations zero carbon through our Carbon Management Plan remains a major challenge given that the financial investment required is in the region of £225m.

1.11. The national funding landscape to support the decarbonisation of public buildings has also become significantly more limited since the late 2025 announcement that the main national funding programme to support public sector decarbonisation has been discontinued. The Council has successfully secured funding for multiple decarbonisation projects through the Public Sector Decarbonisation Scheme, including £6.4m in 2025 to undertake energy efficiency works at Kentish Town Sports Centre and Swiss Cottage Leisure Centre.

1.12. In the absence of centrally funded grants for decarbonisation works to Corporate Property, Leisure and Schools, the Council continues to explore and secure new forms of finance to improve the energy efficiency of its estate and operations.

1.13. With the aim of improving transparency, the following sections set out the extent of funding secured by the Council to decarbonise its own estate and operations, progress on emissions reductions and the residual funding gap the Council would need to bridge to sustain progress to 2030.

1.14. This budgeting approach follows the Greater London Authority's decision to disclose a Climate Budget in their Consolidated Budget for the 2023/24 financial year. The London Borough of Camden was one of the first councils to publish a Climate Budget alongside its 2024/25 Council Tax Report, and this will be the third consecutive year that the Council has aligned its financial planning with its decarbonisation objectives through this process.

2. London Borough of Camden's Carbon Footprint

2.1. As illustrated by Figure 1, in the reporting year 2024/25 the Council's greenhouse gas emissions stood at 11,785 tCO_2e (tonnes of carbon dioxide equivalent). Through the delivery of Council's Carbon Management Plan, the Council exceeded its target of a 40% reduction in emissions by 2020 in 2018/19 and has reduced emissions by 64.7% in 2024/25 when compared to a 2009/10 baseline.

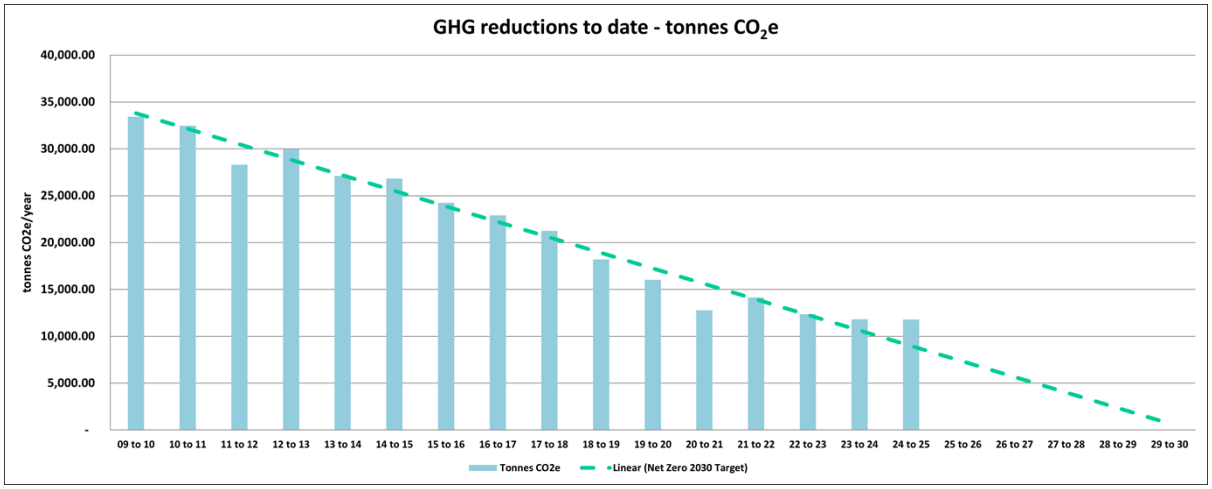

Figure 1 : Camden Council GHG reductions 2009/10 to 2024/25

2.2. The Council's carbon footprint covers operational energy use from its own estate and operations including Scope 1 and Scope 2 emissions from energy used in schools, council corporate buildings, leisure centres, hostels, fleet and street lighting. The contribution that each sector has on the Council's overall carbon footprint is shown in Figure 2.

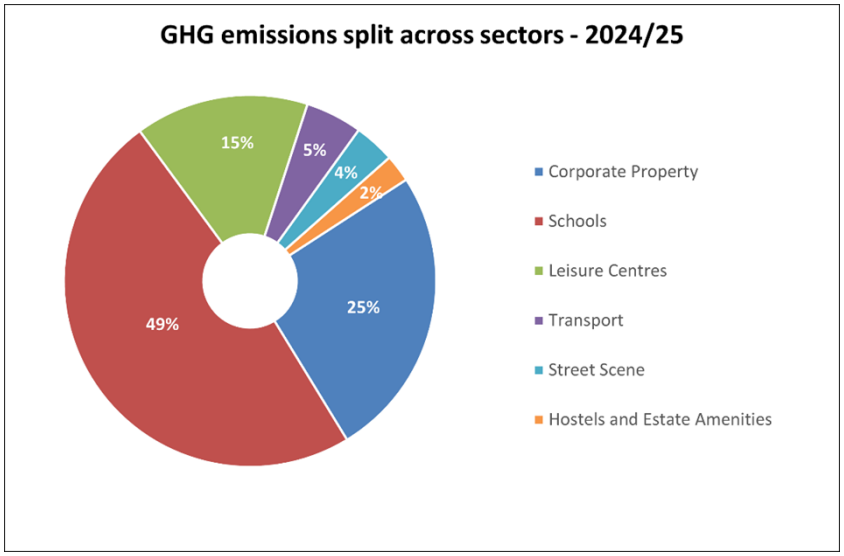

Figure 2 : Camden GHG emission split across sectors 2024/25

3. Road to 2030 – Camden's emission pathway for its own estate and operations

3.1. Figure 3 below is taken from the Council's Carbon Management Plan and indicates that emissions across the Council's estate and operations can be reduced by as much as 82% against the 2019/20 baseline. To achieve this reduction, the following conditions need to be met:

3.1.0. Fossil fuel use (predominately gas for heating and hot water) in schools, corporate buildings, leisure centres, replaced with high efficiency electrification and improvements to building energy efficiency and renewable capacity as part of a whole building decarbonisation approach rolled out across the estate by 2030.

3.1.1. Conversion of petrol and diesel vehicles to electric vehicles by 2030.[1]

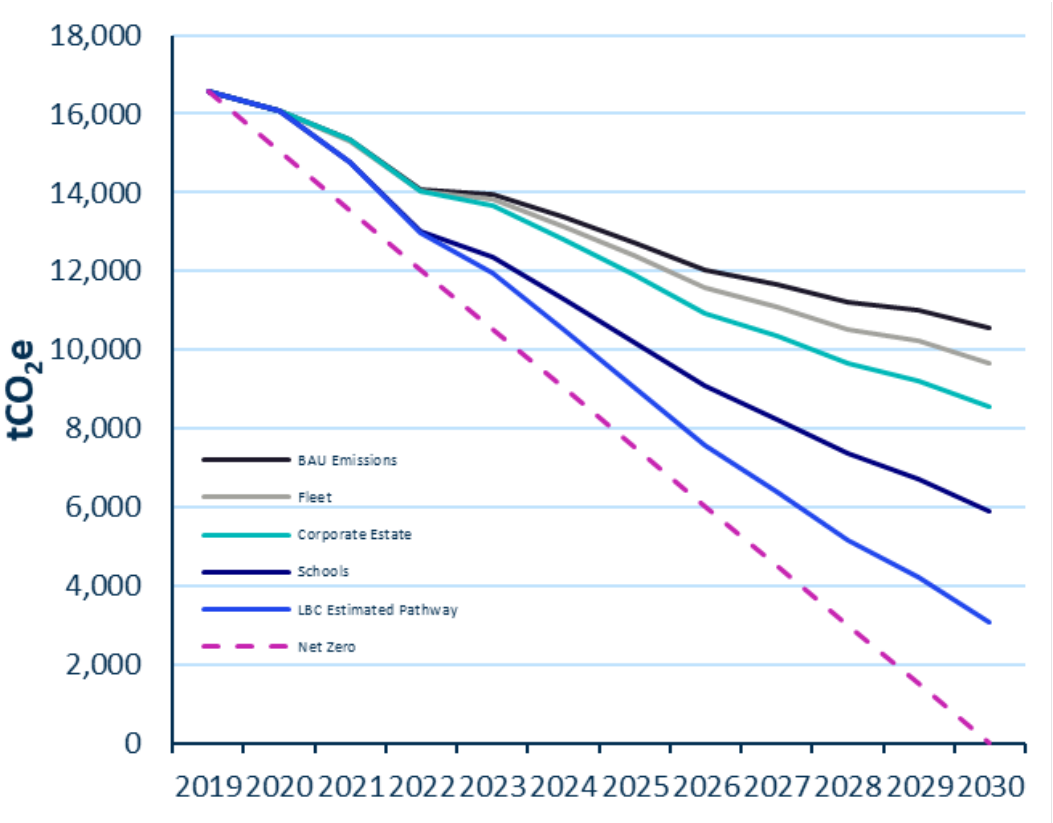

Figure 3 : LBC emissions pathway by sector (note Corporate Estate covers emissions reductions from Council Corporate Buildings and Leisure Centres)

3.2. The carbon reduction pathway in Figure 3 considers the cumulative effect of emissions reductions from each sector. It confirms that emissions can be reduced to 3,060 tonnes of CO_2e in 2030 with the delivery of the measures outlined in 3.1.1 and 3.1.2 above. Further decarbonisation is limited by factors that include, but are not limited to, the rate of decarbonisation of the national grid (the grid is not expected to fully decarbonise until after 2030), constraints on building construction, the ability for all buildings to be retrofitted to the net zero standard, electricity grid constraints and associated capital costs.

3.3. The 'BAU' (business as usual) scenario within Figure 3 depicts how far emissions can be reduced, based on the expected decarbonisation of the

[1] The current Greening the fleet strategy takes a phased approach to removing the highest emitting vehicles first with some remaining to be converted to electric in 2030. As such the emissions pathway illustrated for fleet is not representative of the current strategy.

grid between now and 2030 and the impact of planned disposals across the Council's estate, with no further interventions being delivered in line with the measures proposed in 3.1.1 and 3.1.2. This shows that only a 36% reduction in emissions can be achieved by 2030, the equivalent of reducing emissions to 10,569 tonnes of CO_2e per annum by 2030. The Carbon Management Plan estimates that this business-as-usual approach would prevent the realisation of energy cost savings of approximately £1.2m annually when compared to deeper decarbonisation scenarios.

3.4. The emission reduction pathway for schools has been informed by the *Net Zero Carbon Schools by 2030 plan* (see section 5 for full details).

3.5. Currently there is no budgeted plan to offset residual emissions should Camden not reach its zero-carbon ambition; however, strategies for offsetting emissions will be explored through the latter half of this decade.

3.6. The following sections provide further detail on the emissions reduction potential and the available and required budgets needed to make progress across the key sectors of the Council's estate and operations: Corporate Buildings, Leisure Centres, Schools and our Fleet.

4. Camden Corporate Buildings, Libraries and Leisure Centres

4.1. Figure 4 shows the emission reduction pathway for Corporate Buildings, Libraries and Leisure Centre's and confirms that emissions can be reduced by 78% by 2030 based on the decarbonisation approach outlined in 3.1.1. This represents an emission reduction from 6,489 tonnes of CO_2e in 2019/20 to 1,426 tonnes of CO_2e in 2030.

4.2. Cost modelling from the Carbon Management Plan originally put the budget in the region of £55m-£69m to realise this emission reduction pathway. This estimate was based on high-level decarbonisation surveys that were conducted across a sample of corporate and leisure centre buildings. The estimated cost and emissions savings from these surveys were then extrapolated across the corporate and leisure portfolio to develop the emission reduction pathway and costings across all buildings in this sector.

4.3. Updated cost modelling based on real-life costs from completed and ongoing projects suggests that the cost will now be in the region of £70m - at the top end of previous estimates. This revised estimate was generated by extrapolating real project costs across corporate estate buildings which have not yet undergone a process of decarbonisation. These higher costs result from inflation in construction costs and the inherent uncertainty in how the costs were originally calculated.

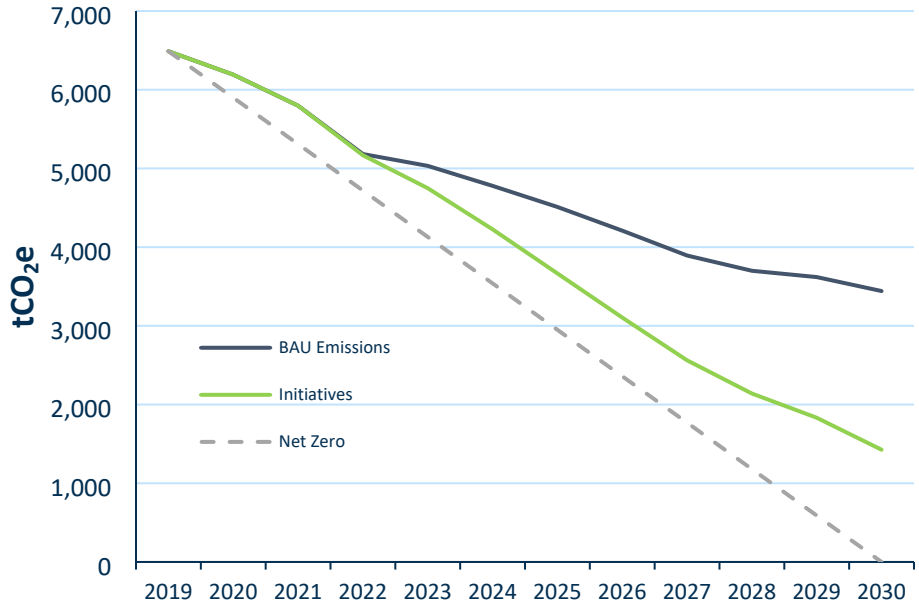

Figure 4 : Corporate Estate Emission Pathway

4.4. The Council continues to deliver decarbonisation projects across its corporate buildings, with notable project highlights including:

4.4.1. £3.7m energy efficiency retrofit of Swiss Cottage Library which was completed in March 2023 and has led to a 36% reduction in energy use. The project included the installation of air source heat pumps, LED lighting, insulation, ventilation improvements and double glazing. The project was supported with a £1.4m grant from the Public Sector Decarbonisation Scheme.

4.4.2. £1.7m energy efficiency retrofit and refurbishment of Highgate Library which completed in November 2024. This has led to a saving of 26.6 tonnes of CO_2e within its first year since the works were completed. The project included the installation of air source heat pumps, LED lighting, insulation, ventilation improvements and double/secondary glazing. The project was supported with a £267k grant from the Public Sector Decarbonisation Scheme.

4.4.3. £1.6m energy efficiency retrofit projects have been completed at three buildings; Netherwood Youth Centre, West Hampstead Library and Waterlow Park Visitor Centre. The projects have replaced fossil fuel heating with air source heat pumps and introduced energy efficiency measures including LED lighting, glazing upgrades and insulation. The projects were supported with a £313k grant from the Government's Public Sector Decarbonisation Scheme and are expected to save more than 86 tonnes of CO_2e per annum.

4.4.4. Energy efficiency improvement works have now taken place at 55% of Camden's libraries, representing a significant step forward in reducing emissions from the Council's cultural and community estate. This includes major upgrade works at Swiss Cottage Library, Highgate Library and West Hampstead Library, alongside lighting upgrades at Holborn Library and Queen's Crescent Library, improving energy efficiency, reducing carbon emissions and supporting the Council's wider decarbonisation objectives. At Highgate Library, the works have resulted in an overall reduction in energy costs of approximately 48%.

4.4.5. £1.7m (£391k in grant funding) towards decarbonisation projects at Talacre Sports Centre and the Spectrum Centre. The projects include the installation of air-source heat pumps, LED lighting, improved ventilation and partial insulation. Projects are due to be completed by March 2026 and will save more than 55 tonnes of CO_2e per annum.

4.4.6. In 2025 the Council was awarded £6.4m in grant funding to undertake decarbonisation works at Swiss Cottage Leisure Centre and Kentish Town Sports Centre. The projects will replace the fossil fuel heating systems with heat pumps and include the installation of solar and energy efficiency measures. The total combined project cost is £7.6m and will save 870 tonnes of CO_2e per annum.

4.5. The Council's Sustainability capital budget and a proportion of carbon offset contributions secured from developments in Camden through section 106 agreements are the main sources of capital funds for decarbonisation projects across the corporate estate. The "*Budget available*" column in Table 1 confirms the total value of capital remaining to deliver the decarbonisation work and highlights the £52m funding gap.

Estimated budget required to deliver emission reduction (£/m)	Spend allocated to projects to date (£/m)	Budget available (£/m)	Estimated gap in budget (£/m)	Budget type	Projected CO_2e reduction by 2030 (tonnes of CO_2e saved)
69.5	16.8	0.77	51.93	Capital	5,063

Table 1

5. Camden Schools

5.1. The schools' emission reduction pathway in Figure 3 is based on the Camden *Net Zero Carbon Schools by 2030* plan which estimates that a 92.9% reduction in emissions from schools is achievable by taking the decarbonisation approach outlined in 3.1.1. The plan states that emissions can be reduced from 5,015 tonnes of CO_2e in 2020 to 313 tonnes of CO_2e in 2030 for 39 schools that are currently maintained by the Council.

5.2. The *Net Zero Carbon Schools 2030* plan estimated that a budget of £112m would be required to achieve this target. This was based on the extrapolation of costs from a small sample of three schools for which detailed decarbonisation studies were undertaken. This cost estimate was developed in 2021 without further indexation.

5.3. Updated cost modelling based on real-life costs from completed and ongoing projects revised the costs upwards to in the region of £139m. This estimate was generated by extrapolating real project costs across the school estate which has not yet undergone a process of decarbonisation. These higher costs reflect inflation in construction costs and the inherent uncertainty in how the costs were originally calculated.

5.4. The budget estimates provide a high-level estimate of the likely cost for achieving the emission reduction pathway for the schools estate. The Council continues to develop detailed decarbonisation plans for schools as part of our programme. The plans will provide further cost and technology certainty for achieving decarbonisation, with budgeted figures subject to change.

5.5. The Council has commenced delivery of decarbonisation projects across schools, with notable project highlights including:

5.5.1. £1.3m retrofit of Acland Burghley and Eleanor Palmer schools, with measures including air source heat pumps, LED lighting, draught proofing and building energy management systems. The projects are saving 49 tonnes of CO_2e per annum. The projects were supported with £300k grant from the Public Sector Decarbonisation Scheme and were completed in 2023.

5.5.2. £2.4m towards retrofitting Hampstead School - the scope includes air source heat pumps, loft insulation, LED lighting, double glazing, and solar PV. The project was supported with a £1.2m grant from the Public Sector Decarbonisation Scheme. The works have recently been completed and are expected to lead to savings of 116 tonnes of CO_2e per annum.

5.5.3. £2.2m towards retrofit work at Brookfield Primary School including the provision of wall insulation, double glazing, mechanical ventilation improvements and solar. The project is close to completion and is expected to save 15 tonnes of CO_2e per annum.

5.5.4. £514k allocated to the installation of solar and LED lighting upgrades across Torriano Primary School, Agar Children’s Centre and Regents High School. The projects are supported by £205k in grant funding from

the GLA's Greener Schools programme and are expected to be completed in March 2026

5.5.5. £3.2m has been allocated to decarbonisation works at Brecknock Primary School and Langtry Children's Centre. The measures to be installed include air source heat pumps, wall insulation and LED lighting upgrade. The projects are supported by £1.3m in Public Sector Decarbonisation Scheme (PSDS) funding and are expected to deliver 86 tonnes of CO_2e savings per annum.

5.6. The Council's dedicated capital budget to support the decarbonisation of schools has been fully allocated against the retrofit project at Brookfield Primary School. £2.3m of additional funding was made available from the Section 106 Carbon Offset Fund. Part of this allocation was used as match funding to secure a further £1.3m in PSDS grant funding for works at Brecknock Primary School and Langtry Children's Centre.

5.7. Table 2 summarises the estimated budget requirements to deliver emission reductions in schools compared to budgets currently available. The budget available is the remainder of a proportion of the Section 106 Carbon Offset budget attributed to schools according to the projected emissions reduction to 2030.

Estimated budget required to deliver emission reduction (£/m)	Spend allocated to projects to date (£/m)	Budget available (£m)	Estimated gap in budget (£/m)	Budget type	Projected CO_2e reduction by 2030 (tonnes of CO_2e saved)
£139m	£11m	£0.1m	£127.9m	Capital	4702tCO_2e

Table 2

6. Camden Fleet

6.1. The Council is committed to decarbonising its fleet by 2030. Decarbonising our fleet also supports our commitment to improve air quality in Camden to World Health Organization levels.

6.2. Through the *Greening the Fleet* programme, the Council aims to significantly reduce its carbon footprint by transitioning to low-emission vehicles, improving air quality and operational efficiency. Key targets include reducing the fleet size by 10%, electrification of all local vehicles, removing and downsizing vehicles, and promoting alternative transport options such as public transport, vehicle sharing and use of e-cargo bikes.

6.3. Transitioning Camden's fleet to electric vehicles can yield substantial CO_2 savings, with the potential to reduce current emissions by 86% to 93% by 2030. At present, the fleet generates approximately 860 tonnes of CO_2 annually, but a shift to full electrification, especially replacing high-emission diesel vehicles, could bring emissions down to as low as 59 tonnes per year (Energy Savings Trust Report, 2024).

6.4. Initial estimates indicate that transitioning to a fully decarbonised fleet, based on 2023 purchasing processes, would require an investment of approximately £13.5 million to £15 million. In addition, necessary upgrades to the electric vehicle charging infrastructure may add a further c.£1 million of costs.

6.5. The Council installed a new Compressed Natural Gas (CNG) filling station at York Way depot in early 2025. CNG fuel helps to reduce air pollution. The new station, funded by a capital bid of £1 million, currently supports the fuelling of 31 CNG vehicles, 12 of which serve our school bus routes.

6.6. The Council's fleet is currently made up of 318 vehicles of which 50 are electric, 10 hybrid and 31 compressed natural gas.

6.7. The *Greening the Fleet* programme aims to address various operational, financial, and practice-related challenges associated with the deep decarbonisation of Camden's fleet. There is a challenge due to the uncertainty around future development plans for Camden's depot sites, as well as limited grid supply capacity for EV charging and restricted parking spaces at existing depots.

6.8. The Council is exploring various options for the redevelopment of the York Way depot. As part of this work, the Council is reviewing the power capacity for York Way depot and liaising with UK Power Networks to secure the necessary power supply for the proposed development of the wider Freight Lane site.

6.9. The budget available from Section 106 carbon offset to support fleet decarbonisation is £363,000. An internal Council funding process is also underway to secure additional investment to support the *Greening the Fleet* programme.

6.10. Table 3 summarises the financial position in relation to greening the fleet.

Estimated budget required to deliver emission reduction (£/m)	Spend allocated to projects to date (£/m)	Budget available (£m)	Estimated gap in budget (£/m)	Budget type	Projected CO_2e reduction by 2030 (tonnes of CO_2e saved)
£17m	£1.25m	£0.36m	£15.39m	Capital	740tCO_2

Table 33

7. Camden Housing

7.1. There is not a definitive estimate of what it would cost to decarbonise Camden's approximately 33,000 council homes. A study was undertaken in 2021 which estimated costs of £700 million but this has not aligned with real-life costs to date and is likely to be a considerable underestimate.

7.2. In 2021 the Council carried out a detailed review of its housing portfolio, which estimated the total annual carbon footprint to be 75,000 tCO_2e annually based on Standard Assessment Procedure figures for council housing. This aligns with estimated territorial emissions for the borough as a whole. It suggests that Camden's Council housing accounts for approximately 32% of household emissions in the borough.

7.3. As noted in section 1, the Council does not report emissions from council owned housing as part of our corporate emissions. Nevertheless, the Council continues to invest in improving the energy efficiency of Council homes as part of the Retrofit Programme.

Completed works include:

7.3.1. Henderson Court Solar – a £660k project to install solar panels on a 68 unit sheltered housing block. The solar array will generate electricity to reduce residents' electricity bills.

7.3.2. Social Housing Decarbonisation Fund (SHDF) Wave 1 completed retrofit works:

- Belsize Grove full retrofit - £3.6m (£730k grant funding) retrofit of 58 units within 5-7 Belsize Grove is now complete. £730k grant from the Social Housing Decarbonisation Fund, Wave 1.
- Brooks Court partial retrofit - £2.3m (£217k) retrofit of 21 dwellings within Brookes Court estate
- Better Homes and Voids energy efficiency works - £360k (£150k grant funding) retrofit of 12 properties which were in the Better Homes and Voids programme.

7.3.3. Social Housing Decarbonisation Fund, Wave 2.1 - 78 homes borough wide will be retrofitted to an Energy Performance Certificate standard of EPC band C, supported by a £789K grant and a Council contribution of £4m.

Improving the energy performance of communal heating systems

7.3.4. Maiden Lane, low carbon heating upgrade – £10m heating and hot water estate wide system upgrade for 717 homes. This project is supported with £3m in funding from the Green Heat Network Grant Fund.

7.3.5. Rowley Way, heating system upgrade – planned £15m upgrade to the heating system including new external and internal pipework and new radiators in all homes.

7.3.6. Weedington Road, heating and hot water upgrade - £11.5m upgrade to the heating system and pipework including the installation of new radiators in all homes.

7.3.7. Communal heating upgrades are progressing at Mayford (£2.6m), Dunboyne (£1m), Denton (£1.7m), Lymington Road (£4.35m), 15 Belsize Ave (£560k) and Spedan Close (£1.3m).

7.3.8. Plant room upgrades have been completed at Holly Lodge (£725k), West End Lane (£103k) and Rothay Court (£63k).

Retrofit at scale solar project

7.3.9. Retrofit at Scale - Supported by £13m from the Social Housing Decarbonisation Fund Wave 3, and part funded by institutional finance, the Council will install solar on approx. 2,700 social housing homes which have an EPC band D or less bringing them to at least an EPC band C.

8. Conclusion

8.1. In the previous Climate Budget, the Council upwardly revised the costs of decarbonising its own estate and operations in line with real-life project costs to date. Over the past year, £7.8m in grant funding has been secured to support the programme. However, the gap in the budget required to deliver on emission reductions targets is still £195.27m.

8.2. Table 4 summarises the position of the Climate Budget at the end of 2025 calendar year.

Estimated budget required to deliver emission reduction in Corporate Estate, Schools and Fleet by 2030 (£/m)	Project spend/allocation to date (£/m)	Remaining budget (£/m)	Gap in budget (£/m)	Budget Type	Projected CO_2e reduction by 2030 (tonnes of CO_2e saved)
£225.5m	£29.05m	£1.23m	£195.22m	Capital	10,505 tCO_2e

Table 44

8.3. Through its Carbon Management Plan, the Council continues to reduce emissions from its own estate and operations, investing in projects which reduce fossil fuel use from buildings by improving their energy efficiency.

8.4. Completed retrofit projects at Swiss Cottage and Highgate Libraries have led to reduced energy consumption and combined carbon savings of 97

tonnes of CO_2e per annum. This has led to a 14.5% reduction in carbon emissions from Camden's libraries.

8.5. Decarbonisation works at Netherwood Centre, West Hampstead Library and Waterlow Park Visitor Centre were completed in 2025 and are expected to lead to carbon savings of 36 tonnes of CO_2e per annum.

8.6. Since 2022/23, £29m has been allocated to decarbonisation projects of which £12m has come from grant funding.

8.7. While progress continues to be made on reducing emissions from the Council's own estate and operations, funding conditions have become more challenging due to the discontinuance of the central government Public Sector Decarbonisation Scheme. Furthermore, the majority of the Council's own available budget for the decarbonisation programme has now been fully allocated.

8.8. Further financial innovation will be required to bridge the gap in the budget, and the Council will therefore continue to seek access to a diverse portfolio of established and emerging financing mechanisms to support the programme.

8.9. The August 2025 Cabinet advisor report makes a series of recommendations for how the Council could address the funding challenge. This includes reference to mainstreaming energy efficiency retrofit into Camden's property improvement programme as well as considering the use of pension funds to help finance improvements.

8.10. The Cabinet Advisor report also highlights the potentially important role of social finance such as Municipal Investment "bonds" and Community Energy models, such as those provided by groups like Power Up North London. The Council has formally responded to the Cabinet Advisor's recommendations with the report considered at Cabinet on 10 December 2025.

8.11. In line with the recommendations, the Council is now in the process of procuring a community energy partner for Camden, with a view to entering a 20-year concession contract whereby the partner will identify and finance a range of energy efficiency improvements across the Council's estate beginning with up to eight schools.

8.12. The Council is also using institutional finance to part fund its retrofit at scale solar project on social housing. It is likely that further financial structures of this nature will be necessary if the Council's decarbonisation programme is to build on its success to date.

8.13. However, these new financing models are still unlikely to fully bridge the funding gap to the Council's zero carbon ambition, without a significant change in the national funding landscape. To address this, a long-term credible plan for financing local authority energy efficiency improvements, which is led and supported by Central Government and considers the role and use of private sector finance is required.

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