



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Environment Overview and Scrutiny Committee

Tuesday, 3rd March 2026

Report of Councillor Rhys Baker,
Cabinet Member for Environment and
Waste

Update on Climate Change Reserve

Report Author

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Purpose of Report

To provide the Committee with an update on the commitments from the Climate Change Reserve for the 2025/26 financial year.

Recommendations

The Committee is asked to:

- 1. Note the update provided on the Climate Change Reserve.**

Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Sustainable South Kesteven Effective council
Which wards are impacted?	All wards

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.1 The Climate Change Reserve was established in the 2023/24 financial year in order to help respond to the budgetary pressures driven by the increasing cost of energy and the Council's stated ambition of carbon reduction across the Council's property portfolio. All project proposals are reviewed for value for money in order to ensure a sound investment for the Authority.
- 1.2 As well as the funded projects detailed within this report, further projects have been identified to continue to deliver an energy, carbon or cost saving/income stream to the Council.
- 1.3 The projected balance of the Climate Change Reserve at 2025/26 year end is £455k. A reserve top up of £388k was completed in year to ensure the reserve can continue to fund appropriate projects.

Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer

Legal and Governance

- 1.4 As part of good governance, it is important that Members are updated on the council's projects that focus on reducing energy consumption and carbon emissions, which in turn contribute towards the Council's carbon reduction targets.

Completed by: James Welbourn, Democratic Services Manager

Climate Change

- 1.5 The establishment of the climate change reserve has allowed projects to be funded outside of existing budgets in order to reduce energy consumption and associated cost and carbon emissions for the Council. The projects detailed within this report include detail on expected energy, carbon or cost saving/income stream.

Completed by: Serena Brown, Sustainability and Climate Change Manager

2. Background to the Report

- 2.1. There is a clear role for local government to shape, drive, and deliver local action on climate change. South Kesteven District Council made a formal declaration of climate emergency on 26 September 2019 with cross-party support. Alongside this, the Council confirmed the political ambition to reduce the organisation's carbon footprint by at least 30% by 2030, and to endeavour to become net-zero as soon as viable before 2050. Over three-quarters of local authorities in the UK have now taken the step of declaring a climate emergency.
- 2.2. Following this declaration of climate emergency, the Council's updated carbon footprint was established, using baseline data from 2018/19, which was presented to [Environment Overview and Scrutiny Committee on 21st July 2020](#). This signalled some of the major categories of carbon emissions arising from council operations and highlighted projects to pursue to reduce carbon emissions.
- 2.3. South Kesteven District Council has continued to publish updates on progress towards the outlined carbon emissions target since 2018/19 year. The latest report covering the 2024/25 period reported a total carbon emissions reduction of 29.24%, discussed in detail at a meeting of the Environment Overview and Scrutiny Committee on [23rd September 2025](#).
- 2.4. South Kesteven District Council has made significant progress in addressing carbon emissions from its own operations. Some of these major achievements include:
 - Programme of £1m to upgrade all Council streetlights to energy efficient LEDs with dimming
 - Securing over £3.5m of funding via the Public Sector Decarbonisation Scheme (phase 3c) to install a new low-carbon heating system at Grantham Meres leisure centre
 - Installation of additional solar PV panels at Grantham Meres Leisure Centre as well as at the Council's main offices at The Picture House
 - Overall reduction in electricity consumption and associated carbon emissions across the Council's portfolio of buildings
 - Development of a new Green Fleet Strategy to agree a way forward to decarbonise the Council's vehicles
- 2.5. A Climate Change Reserve of £300,000 was put in place from 2023/24 in order to both help respond to the budgetary pressures driven by the increasing cost of energy, and the Council's stated ambition of carbon reduction across the Council's property portfolio. The intention of the reserve is to fund standalone initiatives to reduce energy consumption and associated costs. The fund was increased to £500k for the 2024/25 financial year.
- 2.6. Whilst good progress has been made in reducing the Council's carbon emissions, it is evident that further investment is required across different areas in order to

sustain a continued reduction. There is also a need for the Council to proactively respond to the sharp increase in utility costs, principally electricity and gas. Through making targeted upgrades, the Council both reduce ongoing utility costs and sustain a significant reduction in carbon emissions.

- 2.7. An update on committed projects for this year are included in the table below. Projects are expected to deliver an energy, carbon or cost saving/income stream to the authority, helping to respond to the increase in utility costs. This includes projects delivered within leisure centres in the district, where LeisureSK is responsible for utilities.

Proposal	Project description	Cost	Indicative payback (years)	Estimated annual savings		
				£	CO2	kWh
Upgrade circulation pumps for pools	Grantham Meres leisure centre pool pumps (main and leisure pool) upgrade	£98,000	1.5	£64,492	58.72	239,674
Installation of electric vehicle charge points in SKDC car parks	Install 4 EVCPs in Stamford Cattlemarket car park	£42,687	0.5	£22,596*	27.6**	n/a
Installation of solar pay and display ticket machines in car parks	Replacement of existing machines with solar ticket machines	£57,302	27.9	£2,052	1.5	6,620
Grantham Meres leisure centre – decarbonisation scheme	Agreed contract sum uplift to supplement existing budget for PSDS project	£23,540	TBC	TBC	TBC	TBC
TOTAL	-	£221,529	-	£89,140	87.8	246,294

* based on projected income per charger from existing EVCPs operated by the Council

** includes carbon reduction for EVCP users based on reduction in miles travelled in petrol/diesel vehicles. This is not accounted for within the Council's carbon reporting boundary.

- 2.8. Further projects are being reviewed to be funded from the climate change reserve, as included below. The estimated total of these projects is £234k, however updated costings are being developed for each project:

- Upgrade of pool circulation pumps at Bourne leisure centre
- Additional solar PV at Bourne leisure centre and Stamford leisure pool
- Review of energy efficiency of Grantham bus station building

- Review of Building Management System (BMS) provision for key Council corporate properties
- 2.9. A budget bid for £55k annually has also been submitted from 2026/27 to fund further electric vehicle charging points within Council owned car parks. This is proposed to be funded from the climate change reserve if supported as part of budget proposals.
- 2.10. A separate climate reserve of £100k has also been established for housing projects under the Housing Revenue Account (HRA). This has funded an energy efficiency and feasibility survey for £43k to three sheltered properties owned by the Council in Stamford. The outcomes of these surveys are expected in 2026 and the outcomes will inform the investment needs for each of the buildings surveyed.
- 2.11. It is important to note that further energy efficiency upgrades have also been completed using existing Property budgets. These will be reported in detail as part of the Council's annual carbon reporting, but some key upgrades completed within the last year include:
- Upgrade to LED lighting in Bourne Community Access Point shared office area
 - Replacement of the air conditioning units within Stamford Arts Centre
 - Upgrade of the Air Handling Units (AHUs) at Stamford leisure pool
 - Maintenance and upgrade of the AHU system at South Kesteven House
 - Upgrade of pool pumps at Stamford leisure pool, including inverter to reduce use out of hours
 - Welham Street Car Park LED lighting upgrade including PIR sensors
- 2.12. Each of these upgrades will contribute to a reduction in energy consumption and associated cost, as well as carbon emissions reduction.

3. Key Considerations

- 3.1. The report is provided to update Members on projects being considered and funded via the climate change reserve.

4. Other Options Considered

- 4.1 No further options are set out within this report which is provided to update Members on projects being considered and funded via the climate change reserve.

5. Reasons for the Recommendations

5.1. This report is provided as an update on the climate change reserve fund.

6. Background papers

6.1 Environment Overview and Scrutiny Committee 21st July 2020 - [CarbonFootprintReportEnvOSC_Final.pdf](#)

6.2 Environment Overview and Scrutiny Committee 23rd September 2025 - [Update on South Kesteven District Council carbon emissions for 202425.pdf](#)