Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

Stage 1
Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing		
Relevant Group Head review	**JT**	**11/10**
MAT+ review (to have been circulated **at least 5 working days before Stage 2**)		
This item is on the Forward Plan for the relevant committee		
	Reviewed by	
Finance comments (circulate to Finance)	**AB**	**11/10**
Risk comments (circulate to Lee O'Neil)	**LO**	**09/10**
Legal comments (circulate to Legal team)	**JC**	**15/10**
HR comments (if applicable)		

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2
Report checklist – responsibility of report owner

ITEM	Completed by	Date rec'd
Monitoring Officer commentary – at least **5 working days before MAT**	**L Heron**	**15/10/26**
S151 Officer commentary – at least **5 working days before MAT**	**T. Collier**	**11/10/26**
Commissioner engagement	**J. Kingston**	**12/10/26**
	Delete as applicable:	No issues
Relevant MAT member sign-off	**LO for PM**	**16/10/26**
Report reviewed by Management Team		

Environmental and Sustainability Committee

Date of Meeting: 19 November 2026

Title	Green Initiative Funding Application
Purpose of the report	To make a decision
Report Author	Alfred Osawe; Building Services and FM Manager
Ward(s) Affected	Ashford North and Stanwell South
Exempt	No
Exemption Reason	N/A
Corporate Priority	Community Addressing Housing Need Environment Services
Recommendations	Committee is asked to: Approve Green Initiative Fund (GIF) funding of £16,000 towards the replacement of the existing all-electric heating system at Ashford Cemetery Lodge, Ashford TW19 7AD with an appropriately designed low carbon heating system - air source heat pump (ASHP).
Reason for Recommendation	Committee is being asked to take this decision based on the following potential advantages • Reduced carbon emission by 2.20 tonnes CO_2. • Achieve net-zero carbon emissions for its own operations and estate (Scope 1 and 2 emissions) by **2030.** • Reduced annual heating costs by of £4,163 (annual average) for the Temporary Accommodation resident. • Increased property value and futureproofing against changing energy regulations.

1. Executive summary of the report *(expand detail in Key Issues section below)*

What is the situation	Why we want to do something
• Ashford Cemetery Lodge is a recently refurbished Council owned 4-bedroom property used as temporary accommodation. • There is no gas supply to the property and it currently relies entirely on electricity for space heating and domestic hot water. • The existing electrical heating system results in significant electricity consumption and high running costs of c.£5,460 per annum, which for a TA resident is not considered sustainable.	• There is need to reduce carbon emission while also reducing high energy bill resulting from an all-electric powered heating and hot water system.
This is what we want to do about it	**These are the next steps**
• Replace existing all- electric heating system with appropriately designed low carbon heating system – ASHP which offers environmental and energy efficiency benefits while supporting long-term sustainability objectives.	Subject to GIF funding, the project is to install an appropriately sized ASHP system capable of providing the required space heating and domestic hot water.

2. Key issues

2.1 Spelthorne Borough Council (SBC) owns Ashford Cemetery Lodge (ACL), located within Ashford Cemetery. Originally a three-bedroom dwelling for the cemetery manager, the property remained vacant and unused for several years before undergoing a major refurbishment in 2024, which transformed it into a high-standard four-bedroom residential home. The property is not connected to gas supply network and relies entirely on electricity for space heating and hot water. The property is now used as temporary accommodation for a low-income family who are struggling with the high cost of electricity, making the home's energy expenses financially unsustainable for the household.

2.2 The refurbishment of ACL was originally scheduled for 2021, and an electric boiler had been purchased for use as part of the project. During the early stages, the Asset Management team considered whether the property could be connected to the gas network. This option was not progressed because of the significant cost and timescales associated with establishing a gas supply to the property. Given the urgency of bringing the property up to a lettable standard as quickly as possible, and in line with the requirements of the Homes (Fitness for Human Habitation) Act 2018, Asset Management determined that an all-electric heating solution would provide a more practical and timelier approach.

However, the refurbishment works could not proceed in 2021 because the resident at the time refused access to the property.

2.3 When the ACL refurbishment project was revisited in 2024, alternative energy sources were not appraised because an electric boiler had already been procured at a cost of £6,893 and was available for installation. The decision to use the existing electric boiler was therefore based primarily on the circumstances at the time and the expenditure already committed to the project, rather than on a conclusion that an ASHP would be unsuitable or less energy efficient. Following further consideration of the property's ongoing energy costs, particularly the impact of an all-electric heating system on future occupants, an ASHP is now being considered as a more appropriate long-term solution. This revised approach would provide an opportunity to improve energy efficiency, reduce running costs, and support the Council's wider sustainability and climate change objectives.

2.4 Based on ACL's current energy consumption patterns, which indicate an estimated annual electricity cost of £5,460, a renewable, low-carbon heating solution is strongly recommended. This upgrade would complement the high environmental standards established during the 2024 building refurbishment (specif**ically the enhanced insulation)** and directly support SBC's target to achieve **Net Zero carbon emissions across the borough by 2030**.

2.5 Transitioning to ASHP would deliver on these strategic objectives while simultaneously lowering grid electricity demand and reducing operational energy bills. As detailed in the table below, the **£5,460** baseline was established by **annualising actual multi-month expenditure** data from 2026 across a full 12-month cycle.

Electricity Charge Period	**No. of Days**	**Cost of Electricity Charged (£)**
February 2026	16	404
March 2026	31	594
24/06/2026 – 26/07/2026	31	335
27//07/2026 – 19/08/2026	24	236

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2.6 ASHP uses electricity more efficiently by extracting renewable heat energy from the external air and transferring it into the dwelling. The potential benefits of this technology include improved energy efficiency, reduced heating costs, lower carbon emissions and a possible increase in property value. An ASHP therefore represents a practical and measurable investment in environmental sustainability and long-term operational efficiency. It also has the potential to reduce the high electricity demand associated with conventional electric heating, while providing a modern, efficient and lower-carbon heating solution for the property.

2.7 An appropriately sized Air Source Heat Pump (ASHP) has been designed for the property by SBC's heating systems maintenance term contractor. The proposed design indicates that installation of the ASHP would provide the following key benefits:

(a) Reducing energy consumption to reduce the property's operational carbon footprint while providing a long-term low-carbon heating solution.

(b) Reducing impact of current all-electric powered system that has relatively high electricity consumption leading to substantial energy cost; increased household energy expenditure; reduced disposable income; risk of fuel poverty; household wellbeing.

2.8 For illustration, based on the designed ASHP, the savings are:

Description	Electricity (£)	ASHP (£)	Savings
Annual Energy Bill	5,460	1,184 to 1,423	£4,043 to £4,282
Carbon Footprint	3.0 tonnes CO_2	0.8 tonnes CO_2	2.2 tonnes CO_2

3. Options appraisal and proposal

3.1 **Option 1 - Install an Air Source Heat Pump (preferred option) –**It has the potential to deliver significant reductions in electricity consumption, energy costs and operational carbon emissions (paragraph 2.8) over the lifetime of the system (15-20 years). The main disadvantages of ASHP include high upfront equipment and setup cost of £16K and potential noise from the outdoor unit

3.2 **Option 2 – Connection of Gas Mains and Installation of Dual Gas and Electricity Powered System –** This system has disadvantages of high upfront cost (c.£12K). Other disadvantages include maintaining complex gas safety systems; increase in property dependence of fossil fuels which will make it harder for SBC to meet its carbon reduction target and net zero objectives.

3.3 **Option 3 – Retain Existing Electric Heating -** retaining existing all-electricity powered system avoids costly ASHP or gas infrastructure retrofits and eliminates indoor gas combustion risks. However, there's continued reliance on direct electric heating with potentially higher carbon footprint; high electricity consumption; increased household energy expenditure; reduced disposable income; risk of fuel poverty; household wellbeing and lack of significant improvement in heating efficiency.

4. Risk implications

4.1 There is potential risk of fuel poverty and energy hardship due to high heating cost which results in financial pressure on the low-income family as greater proportion of their household income is potentially being spent on energy.

4.2 Risk of poor thermal comfort resulting from reduced use of heating because occupants cannot afford to heat the property adequately. Beyond fuel poverty alleviation, installing an ASHP at this site yields several additional benefits for Spelthorne Borough Council (SBC). However, the Ashford Cemetery Lodge is considered because its recent four-bedroom refurbishment and insulation upgrades provide the ideal thermal foundation for maximum ASHP efficiency. Furthermore, as an all-electric home, its residents face immediate, high-energy costs. Upgrading this specific asset delivers high-impact risk mitigation where the building fabric is already optimised, while serving as a critical pilot project to evaluate scalability across other SBC properties

4.3 The proposed installation of ASHP presents a number of risks which include high upfront cost, poor system design, lower flow temperatures and operational noise. These risks can be managed through appropriate design, procurement, installation and post completion monitoring. SBC will retain responsibility for maintaining the equipment which include servicing of the equipment asset management and planned maintenance programme.

5. Financial implications

5.1 The proposed ASHP requires an initial capital investment of c.£16K which is higher than maintaining the existing all-electric heating system. However, improved efficiency will provide lower operating costs over the lifetime of the equipment (Ref. attached Heat Loss Report and System Design). Funding of the upfront cost of c.£16K is being sought from GIF. The £16,000 cost covers complete installation of the new ASHP systems, as well as the full decommissioning, removal, and compliant disposal of the existing electric boiler system. Using current energy consumption/bill and the proposed ASHP (designed), the indicative cost saving is:

5.2 Existing heating cost: £5,460/year

i) ASHP heating cost: £1,184 to 1,423/year

5.3 Indicative annual saving: £4,043 to 4,282 - (TA resident)

5.4 As SBC is using the property for Temporary Accommodation, the financial benefit of lower energy consumption will principally accrue to the occupying household thereby helping to address fuel-cost pressures to the household. However, the Council benefits through improved asset performance, reduced carbon emissions and futureproofing of the property

6. Legal comments

6.1 The Council's Climate and Nature Working Group (CNWG) considers all applications for funding from the GIF and recommends to this Committee for approval as appropriate.

6.2 Application in relation to this project was considered and approved to proceed by the CNWG on 10 September 2026.

6.3 The appointment of an ASHP supplier and contractor must meet the requirements of the Best Value Duty under the provisions of the Local Government Act 1999 and comply with the Council's Contract Standing Orders. Legal Services support will be required in respect of any contract.

Corporate implications

7. Commissioners' comments

7.1 *There are no comments from Commissioners*

8. S151 Officer comments

8.1 The S151 Officer confirms that all financial implications have been taken into account and that the recommendations can be fully funded from the GIF reserve, although this would mean the balance of funds remaining would be reduced by £16k.

9. Monitoring Officer comments

9.1 The Monitoring Officer confirms that the relevant legal implications have been taken into account.

10. Procurement comments

10.1 Project value is below £25,000 (inclusive of VAT) so does not require Procurement Board approval. However, the procurement and appointment of a contractor will be undertaken in compliance with Council's Contract Standing Orders.

11. Equality and Diversity

11.1 The proposal is expected to have a positive impact on equality and diversity, particularly because the property is SBC owned and it's occupied by low-income family living.

High energy costs can disproportionately affect the households with limited income because a greater proportion of their available income may be required to meet essential heating and energy costs. Replacing the existing electric heating system with ASHP has the potential to reduce electricity consumption and associated household energy costs.

The proposal is not expected to adversely affect any protected group under the Equality Act 2010. However, consideration will be given to the specific needs of the occupants throughout the design, installation and commissioning process.

12. Sustainability/Climate Change Implications

12.1 ASHP installation has a positive sustainability and climate-change impact. The property is entirely electrically space and domestic hot water heated which is resulting in relatively high electricity consumption and high carbon footprint. ASHP will substantially improve the efficiency and reduce carbon footprint from 3.00 to 0.80 tonnes CO_2.

13. Other considerations

13.1 The proposal is considered as part of Council's wider decarbonisation strategy rather than as standalone heating replacement.

13.2 The proposal is also considered as SBC wider objectives for tackling fuel poverty, improving energy efficiency of its housing stock and reducing carbon emissions.

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14. Local Government Reorganisation Implications

14.1 The proposed installation of ASHP to replace the existing all-electric heating system at Ashford Cemetery Lodge is a property specific investment intended to improve energy efficiency, reduce household energy cost, and support SBC climate change and fuel poverty objectives while recognising the potential transfer of assets, liabilities and responsibilities to West Surrey Council.

15. Timetable for implementation

15.1 Timetable to be confirmed.

16. Contact

16.1 Alfred Osawe; Email: A.Osawe@spelthorne.gov.uk

Please submit any material questions to the Committee Chair and Officer Contact by two days in advance of the meeting.

Background papers: None

Appendices:
Appendix A Green Initiative Fund Application
Appendix B Heat Loss Report on Ashford Cemetery Lodge submitted by Sureserve Compliance South Ltd