

GLA Oversight Committee – Thursday 28 September 2023**Transcript of Agenda Item 6 - GLA Green Finance Fund**

Emma Best AM (Chairman): Moving on to the main business for today, welcome to the panel. We have Shirley Rodrigues, the Deputy Mayor for Environment and Energy; Catherine Barber, Assistant Director for Environment and Energy; Enver Enver, Acting Chief Finance Officer and Assistant Director for Group Finance and Performance and Kenroy Quellenec-Reid, Head of Impact Investment and Analysis, London Treasury Limited.

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): Hi.

Emma Best AM (Chairman): Good afternoon, everyone. Shirley, the first question is for you. What progress has been made on green finance since officers last appeared in front of this Committee in November [2022]?

Shirley Rodrigues (Deputy Mayor for Environment and Energy): Huge progress since officers were in front of the Committee last November. As you are aware, in February 2022 the Mayor [of London] announced plans for a Green Bond programme, aiming to issue a £500 million Green Bond, supported by £90 million of Greater London Authority (GLA) funding, to support project development and cost of finance. As many of you will recall, the economic instability last summer [2022] following a certain Budget made market conditions very unfavourable, particularly for green bonds, so the GLA's planned Green Bond issuance was paused whilst we worked out an interim way of taking forward the proposals that the Mayor had.

What the Mayor has done is worked on establishing a Green Finance Fund - same ambition but using other resources available to the GLA - that we are aiming to refinance later through Green Bond proceeds once that is able to proceed, and if favourable rates or other sources of funding can be secured. Earlier this year we have been working on developing, and then published in April [2023], the draft Green Finance Framework, which sets out the governance framework and the project eligibility criteria. We will be intending to launch the Green Bond once and if market conditions improve, and proceeds from that would be deployed via this Green Finance Fund. All lending under the Green Finance Fund is in line with that Green Bond Framework to make sure that is possible.

The Green Finance Fund was then launched at London Climate Action Week in June [2023], and the first window for expressions of interest (EOI) to the Green Finance Fund is currently open. It closes tomorrow, 29 September [2023], and we are looking forward to reviewing the applications.

Lots of progress on the Fund, less so on the Green Bond for the reasons I have stated. I am sure Catherine [Barber], Enver [Enver] and Kenroy [Quellenec-Reid] can talk a little bit more about the detail.

We have also been working to staff up the Environment Team who are working on that. London Treasury Ltd (LTL) colleagues and Finance colleagues have been working very hard on that. I just wanted to thank everyone in the Environment Team, the Green Finance Team, Enver's team, and Kenroy [Quellenec-Reid] and Luke [Webster, Assistant Director, Group Treasury and Chief Investment Officer, GLA] at LTL for all the work that they have been doing to push this ahead. It is phenomenal progress for something that is really needed but is very complicated. We had to take the due process, basically, to make sure the fiduciary duty, statutory obligations and so on were taken into account.

Emma Best AM (Chairman): Thanks. Catherine, this may be for you more than Shirley. On that last point around the applications, do you know how many applications have been received in this tranche?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): We will know that tomorrow and we are happy to update the Committee afterwards.

Emma Best AM (Chairman): Is there not a ballpark at the moment?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): We have had contacts with all of the boroughs. We know that some are definitely putting in applications; others are possible. I think it does take time for people to get used to a product when it is new. Essentially, the Green Finance Fund is a new product on this market. We have had to explain what projects can apply, the terms and conditions that we would be offering, why it is worth coming to us rather than taking out Public Works Loan Board (PWL) borrowing, etc. It takes a while to warm up. We know we will get some applications from within the GLA group and some from boroughs. We will see beyond that.

Emma Best AM (Chairman): Thank you. Probably following on from what you are about to say there, if you could outline the difference between the Green Bond programme and the Green Finance Fund.

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): Essentially, as Shirley said, we looked originally to finance this through the issuance of a Green Bond. The market conditions for that were not favourable over the last year, but the Mayor did not want to wait on supporting decarbonisation or other environmental projects and so has made money available out of the GLA's own reserves. That is why we are calling it a fund for now. It is possible that later we will refinance it by issuing a Green Bond.

The sorts of projects that we are talking about are the same. They are in renewable energy, energy efficiency, clean transportation, and so on. We have issued a draft Green Bond Framework that was published in April [2023] and that means that everything that we do is consistent with Green Bond principles. If we get to a stage where the market is ready for Green Bond issuance, everything we are doing under the fund, we could then go out and say, "This meets all of the standards and expectations. We now want to release this as a bond". For now, we are calling it a fund, but with the same sorts of impacts and projects.

Emma Best AM (Chairman): Following on from that as well, do you have any current thinking about the scale, timing, cost and structure of how the Green Bond bit may come about and what it may look like?

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): Yes, I will try that one. As Catherine has outlined, I think the way to look at this is that the Green Bond programme, in effect, is how we go to the market to borrow up to £500 million, and the Green Finance Fund is the mechanism through which we deploy that money. The Green Finance Fund has the governance and sets out the categories for financing projects.

It is a continuum. The ambition is to secure up to £500 million from the bond market, subject to improved market conditions. However, we are also looking at other sources as well, in the event that does not materialise, because if we do not get to the point where it is economically viable to borrow from the bond market, we will need to look at other sources to provide the finance for this. It could be up to £500 million.

Emma Best AM (Chairman): Thank you. I have had an indication from Assembly Member Russell.

Caroline Russell AM: Yes. It is just a point of clarification on Catherine's answer to the first question because you said, I think, when boroughs and others are considering whether to take up this way of financing things, the Green Finance Fund, or the PWLB, how people can make a distinction between those two? I just wondered if you could say a little bit more about that, because presumably we need to understand why people would go for your Green Finance initiative rather than the PWLB.

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): There are a number of things that I hope would make us attractive. There is our wider work on low carbon finance, which also includes the work of our Accelerators. We engage both within the GLA group and with public authorities outside the GLA group as well, including local authorities, to help them develop projects. We do that with the Mayor's funding and, up to now, also with European Union (EU) funding, although that finishes this year. That is a well-established scheme - people are then within our ecosystem, they know us and they talk to us about what their plans are.

We always say that we will provide finance competitively. We know that, for example, local authorities have access to PWLB so you would expect them to get at least a slim discount on that, but we do not want, obviously, to offer too much. If they are making savings or getting a payback from their investments, we are then not offering a generous subsidy on top of that. They just do not need it.

There are criteria that we apply to decide whether to then reach into the £75 million that the Mayor has made available. There is the £500 million of financing which we can offer as loans, but then to make that an attractive package, either by helping to spread when the repayments have to come in or to make the interest rate a bit more attractive, we can use some of that £75 million to soften it a bit to make it an attractive proposition. However, we only do that when the cost savings or payback from the projects are not themselves sufficient to make it an attractive proposition, so if they need that interest rate subsidy to make that a viable proposal. Then we look for proof of additionality: the project would not have gone ahead if we had not been helping out with some of the Mayor's money for that. Then we also have metrics, for example, about tonnes of carbon per pound invested. There are various criteria - we do not hand out the money too easily.

Caroline Russell AM: Thank you.

Emma Best AM (Chairman): Assembly Member Fortune.

Peter Fortune AM: Thank you. Very quickly, Catherine. I may have missed it. Assembly Member Best asked if you have had any applications in so far and you said you are expecting some tomorrow. Listen, I always got my essays in late, so I completely get that, but have you had any yet?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): Yes. I suppose I should draw the Committee's attention to the fact that we have financed some projects already.

Peter Fortune AM: There have been two I know of, yes.

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): We have we financed three and that is up to £185 million. What is coming in next will be the first round of EOI. We started within the GLA group. We have made commitments to Transport for London (TfL) and to the London Legacy Development Corporation (LLDC). Then beyond that we have been reaching out to the boroughs, to

the National Health Service (NHS), further education institutions, etc. That is what we are calling round one and that is what closes tomorrow.

Peter Fortune AM: Tomorrow. I knew about the two of those. I did not know there were three, I read about the two. Have you had any in so far, outside of that?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): I am afraid I have not opened the box, my colleagues may have taken a look. I know we are going to get some; we are very confident about that. Whether the boroughs and others have hit "send", I will confirm that after tomorrow's deadline.

Peter Fortune AM: We do not know if there have been any?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): Well, the deadline has not yet passed, so I do not.

Peter Fortune AM: OK.

Emma Best AM (Chairman): Thank you. Catherine [Barber], quickly, on that £180 million limit, if there is a project that is an amazing project but £190 million, how much flex is there within the scheme? Shirley, is that a question for you?

Shirley Rodrigues (Deputy Mayor for Environment and Energy): It is probably more a question for Enver. We have a budget. I think we would be looking to adjust, I guess, and really review the project, but over to Enver to decide that.

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): Just to clarify the numbers - out of the £500 million we have allocated £185 million, so there is £315 million left, not £180 million. It would have to come in wanting more than £315 million on the one scheme. I doubt we will get one that big; if we do, we will look at how we prioritise. At the moment the limit is £500 million. I would rather we have the lucky problem of being oversubscribed. At the moment we have been asking for applications and have not been in that luxurious position of having too much choice, so we will cross that bridge if we get to it. However, the limit is £500 million, and I cannot give you a bigger number than that right now.

Emma Best AM (Chairman): Thank you. Assembly Member Cooper.

Léonie Cooper AM: This is to the Deputy Mayor. What environmental projects do you think that the £500 million Green Finance Fund should be funding? What would you like, in an imaginary parallel universe where you have complete choice, everyone is applying, and it is massively oversubscribed?

Shirley Rodrigues (Deputy Mayor for Environment and Energy): Well, there are three categories: energy efficiency, transportation and renewable energy. Those are the ones we have identified because those are where the biggest emissions reductions can happen. As we targeted the functional bodies initially and then expanded it to hospitals, universities and so on, it is largely around their estates and their fleet decarbonisation, areas where they have control over. We would expect to see those coming in.

The huge issues about retrofitting buildings, trying to retrofit with renewable energy, and then obviously cleaning up and decarbonising our fleets and all the accompanying infrastructure are all things that those bodies are grappling with. There is not enough finance in their own budgets, which is why bringing forward a funding facility or Green Fund like this is helpful. However, we know this is not enough and we need to do much more, as do Government, and many other cities are obviously looking at this.

Léonie Cooper AM: We will be looking to the £500 million going only on capital expenditure (CapEx)? These are all going to be CapEx projects? That is right. OK.

In terms of the transportation, which you mentioned, I understand that there are certain projects -- well, not just transportation. You have excluded Energy from Waste (EfW) infrastructure projects. You have also excluded fossil fuel boilers being reinstalled, vehicles powered through fossil fuel combustion, and ethanol or brown, black or blue hydrogen. What about biofuels? Are they ruled in or ruled out?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): They are not on our list of exclusions but we would want to see evidence of environmental benefit and we also ask questions of environmental harm. I think we would take that on a case-by-case basis.

Léonie Cooper AM: Like hydrogen, some people will categorise certain forms of hydrogen as green hydrogen. The same with biofuels, some are green biofuels, as opposed to ones that are possibly unsustainable, like shipping in pellets from Canadian forests across the sea. I will not mention who does that because I am sure we all know.

You were saying that £185 million has been allocated already, and I wondered if you could just set out for us what that money has gone to. Is that to these two big projects?

Shirley Rodrigues (Deputy Mayor for Environment and Energy): The two big projects are the solar membrane on the Olympic stadium roof, which they are looking at the moment. The other is for infrastructure related to the Ultra Low Emission Zone (ULEZ). Then some of it is earmarked for other TfL projects, Enver has the detail.

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): The two big ones are with TfL: one is the ULEZ one, and then there is one around the light-emitting diode (LED) lighting at stations and various programmes like that. Then the third one is the membrane at the [Olympic] stadium.

Léonie Cooper AM: Could you break down the £185 million between those three projects?

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): £150 million for the ULEZ.

Léonie Cooper AM: £150 million for the ULEZ.

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): Just under. It was about £30 million for the other TfL projects, and then £5 million for the membrane.

Léonie Cooper AM: Just £5 million?

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): Yes.

Léonie Cooper AM: Does that require planning permission?

Shirley Rodrigues (Deputy Mayor for Environment and Energy): The membrane?

Léonie Cooper AM: Yes.

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): Well, they are doing it, so I am assuming that they have whatever building --

Shirley Rodrigues (Deputy Mayor for Environment and Energy): Yes. Kenroy is shaking his head.

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): Yes, it does, and they have been going through the process of securing that.

Léonie Cooper AM: Do we know any other stadiums that have had that sort of membrane installed elsewhere, either in London or outside London? I seem to remember seeing somebody talking about one on the news, or is this a whole new technology?

Shirley Rodrigues (Deputy Mayor for Environment and Energy): I think internationally there have been, yes.

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): I am not aware, but it is relatively new technology and they have done a lot of feasibility to ensure that it works and would fit. If it does not prove to be feasible -- well, the feasibility study indicated that it is. However, I think it would be quite significant technology to apply elsewhere, particularly for those buildings and properties that have uniquely shaped roofs and particular roofs that are constrained by the amount of weight that they can take.

Léonie Cooper AM: Sure. Maybe not good to put on a building that is made out of reinforced autoclaved aerated concrete (RAAC), for example, because that might not be very efficacious.

I am going to assume that you are not going to be able to tell me - I am going to look at Catherine for this one - what projects are currently being considered because the closing date is tomorrow and we have not opened the application box, but what targets do you have for the timing of the allocation of funding after you open the box tomorrow and you are inundated with all of these applications that fall into the correct categories, hopefully?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): We will have to see what we get in. We have said previously that we wanted to have two waves or two rounds of collecting project ideas by the end of this financial year and I hope that will still be the case. Of course, it depends what we get back; if we are completely oversubscribed and we allocate everything through round one, then job done, but I would be surprised if that happens. Assuming not, we have got what we get in tomorrow and then any further projects, probably in the new year [2024].

We have now allocated £185 million. I think we would be doing pretty well if half of the money was allocated by the end of this financial year, but I am speculating at this point. We will see what we get tomorrow.

Léonie Cooper AM: We will presumably be measuring the projects that the decision is made to allocate money to in terms of the environmental benefits, presumably tonnes of carbon that do not end up in the atmosphere. As we are also looking at mobility-related projects, will we also be measuring reduction in particulate matter less than 2.5 and 10 micrometres in diameter (PM2.5, PM10) and also nitrogen oxides (NOx)? We will have a full set of indicators to see all of the benefits that will flow from the projects.

Shirley Rodrigues (Deputy Mayor for Environment and Energy): Yes. because we are looking at co-benefits there will be other things that we might be able to report on as well, depending on the project, whether it is impact on vulnerable areas in terms of climate adaptation, green space or whatever comes through.

Léonie Cooper AM: But you will be developing a matrix so that we can assess the projects against each other, as well as just being able to see that they have made a general improvement?

Shirley Rodrigues (Deputy Mayor for Environment and Energy): We are certainly going to be reporting on the improvements. Whether it is a matrix, I am not sure. Maybe Kenroy can answer that.

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): Yes, we have set out core indicators that we ask the projects to report against. I think it was mentioned at the [London Assembly Budget and Performance Committee] meeting last week [21 September 2023] that we will be doing annual impact reporting on the projects that we have supported under the scheme.

Léonie Cooper AM: Great. Thank you very much. Thank you, Chair.

Emma Best AM (Chairman): Thank you. Could I just confirm? When you say that the previous project was ULEZ infrastructure, what parts was that?

Shirley Rodrigues (Deputy Mayor for Environment and Energy): What parts of ULEZ infrastructure? I think it is the signage and cameras.

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): It is the infrastructure to facilitate the expansion: the signage, cameras, as well as the IT infrastructure that is necessary. Those are the key bits that were actually financed under the scheme.

Emma Best AM (Chairman): Thanks. I wondered if it was it, talking about the signage, because I get confused every morning when I step out of my house and it tells me I have a mile to get into the ULEZ zone, and I am in it. I wonder perhaps if we need to take another look at signage. Assembly Member Prince, did you want to come in?

Keith Prince AM: Thank you. I just had a question around key performance indicators (KPIs). Are there going to be any KPIs around any of this at all?

Shirley Rodrigues (Deputy Mayor for Environment and Energy): Well, there is a KPI of trying to spend all the £500 million, or the £200 million, initially. Then I think there were a series of KPIs.

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): It is fine. The key metrics are carbon savings. Decarbonisation is the Mayor's top priority.

We have talked about other potential environmental impacts, whether that is NOx, PM2.5, PM10, etc, savings. There may be other things that people come forward with. We will be tracking those energy savings as well, of course, for the energy efficiency projects, and we do have a threshold, the minimum value for money that we would accept for tonnes of carbon per pound invested.

One of the things that we are doing is also benchmarking some of those other environmental indicators, to look at how other green bond issuers or other cities or states have done that. I will say that generally, energy savings per pound or carbon savings per pound are quite familiar. When it comes to air quality improvements or biodiversity improvements per pound, there is less out there to compare ourselves against. We may be at the forefront of that but, yes, we are looking at that now.

Keith Prince AM: Will you be publishing those KPIs?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): As Kenroy said, we will publish the metrics in the Annual Report.

Keith Prince AM: Thank you.

Emma Best AM (Chairman): Thanks very much. I am going to hand over to Assembly Member Bokhari but before I do, sorry, I should have said that Shirley is only with us for the hour. If anyone is bursting at the seams to ask Shirley a question, then get your hands up before 3pm. Assembly Member Bokhari.

Hina Bokhari AM: Thank you, Chair. Just to add to the question on the list for green financing and the Green Bond principles on which the GLA bases its green financial framework, the International Capital Market Association (ICMA) lists sustainable water and wastewater management as one of the key areas that could be focused on, but it is not on the list. Given the Mayor's limited powers elsewhere to intervene with the pollution in London's rivers, do not you think this is a missed opportunity to fund some projects that could be really helpful right now?

Shirley Rodrigues (Deputy Mayor for Environment and Energy): As we have said, we are trying to focus on the areas that we know are top of the ways of reducing emissions in order to then reduce the impacts of climate change: energy efficiency, transport, and renewable energy. We have said that we want to look at thematic funds, for example, around nature-based solutions, but our focus is trying to get the water companies to focus on delivering their responsibilities in this area, in terms of river pollution, sustainable urban drainage and so on. There are a number of other areas where we are pressing them and Government.

Hina Bokhari AM: I appreciate that.

Shirley Rodrigues (Deputy Mayor for Environment and Energy): But yes, absolutely. It is something that we have asked the Green Finance Institute (GFI), who I think are also looking at nature-based solutions. It is a big issue.

We know the rough cost of dealing with mitigation and the net zero target. The number for how we can adapt London, just like many other cities, we absolutely have no idea. That is one of the things that the Mayor has asked Emma Howard Boyd [CBE], who is chairing the London Climate Resilience Review, to have a look at as

part of her evidence-gathering with insurance companies and others. We know that globally, it is in the trillions; there is so much that needs to happen on adaptation. It is right that we start thinking about how we look at nature-based solutions and other adaptation mechanisms.

Hina Bokhari AM: Great, thank you. I also want to ask you, Shirley, about the Green Bond being a one-off measure. Are you anticipating further use of debt funding in the future?

Shirley Rodrigues (Deputy Mayor for Environment and Energy): Again, I will defer to Enver and Kenroy on this, but we want to look at what is feasible for London. We know we cannot do this through public finance. We have to look at private finance, investment, debt, all of these various measures. However, what is appropriate for London and what is appropriate for each sector will need to be taken into account, and, obviously, the impact on borrowing limits, repayments and so on. I am going to leave Enver and Kenroy maybe to fill you in a bit more on that.

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): I think you have answered it really well, actually. I was going to say that we just need to be cautious about how much we borrow. Some of the money that we have already lent out, for example, to TfL and ULEZ has an expected payback of four years. That is quite short-term, whereas the membrane is 18 years. Excuse the pun but our plan is to recycle that money when it comes back. We cannot keep lending £500 million here and £500 million there, leaving the GLA's credit rating at risk. That is where my job comes in, to say, yes, this --

Hina Bokhari AM: I can appreciate that it is all new territory. Enver or Shirley could answer this. The GFI Report [Mobilising Capital at Scale for Net-Zero Projects: London's Climate Finance Facility, June 2023] circulated to this Committee suggests that the GLA should be looking into other options of external borrowing. I would like to know a little bit more about that. I was really intrigued by this. Would you consider the Islamic bonds [sukuk] and performance bonds? What is your thinking about that?

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): I will probably start with the performance bonds. I think they are generally referred to as sustainability-linked bonds. We would certainly consider a wide variety of options, including the sustainability-linked bonds. But I think we settled on a green bond because of the flexibility that provides, as opposed to the sustainability-linked, where you have specific KPIs that you have to hit, and if you do not, you could be penalised. Alternatively, if you do, then financially you could be better off. Given that we did not have full influence over what projects eventually would come forward, we would rather keep that flexibility that the green bond provided.

Hina Bokhari AM: I was intrigued by the Islamic bonds. Have you looked into that and whether that would fit the criteria that you have?

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): We have not looked into a wide detail of it and it is probably something that we may explore. Just back to what we are trying to do here in terms of the green bond and the flexibility that those principles and the ICMA provide, when you issue a green bond, you have a specific project or a group of projects in mind. What we have here is a loan fund scheme where a wide variety of projects, albeit in the three categories, would come in. We wanted to make sure that whatever system we set up was flexible enough to accommodate that.

Hina Bokhari AM: All right. Thank you.

Emma Best AM (Chairman): Thank you. Assembly Member Fortune.

Peter Fortune AM: Thank you. Enver, just picking up on something you said there, the TfL payback is four years?

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): That is what it says in the business case. It is on that basis that we have lent it.

Peter Fortune AM: Is that challenging?

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): I do not know yet, do I? It is too early.

Peter Fortune AM: It is "Whose problem does it become?" I suppose. I think I read somewhere cash balances are still about £2.5 billion, so there is plenty of cash.

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): Yes.

Peter Fortune AM: Shirley, regarding some of the projects, will projects that do very well be in a position to cross-subsidise those that perhaps are not performing financially?

Shirley Rodrigues (Deputy Mayor for Environment and Energy): That is the recycling of savings issue, is not it? Yes, if that is possible. We know these projects are difficult, retrofitting a hospital and so on. The payback period we just heard for the solar membrane is tough. I think our focus is going to be on making sure that people do pay back, and then looking to other sources of finance to boost that fund, but again, Enver or Kenroy probably have more to say on this.

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): Yes. The approach that we have taken for this recognises the issue of, sometimes, the inability of projects to pay back, where the savings that they might generate will not cover it. Our primary focus, therefore, rather than providing project finance which would probably make it difficult to make the case, is to provide finance akin to corporate finance. We are looking at the entity itself, in the main, from a payback perspective. The broader question then is from an organisational perspective, if they generate savings in one project that might be able to subsidise another project, looking from the perspective of someone who will borrow from us.

Peter Fortune AM: That vehicle is there but it sounds like there is still a little bit more thinking to do on it and it is going to depend on the output of some of these projects, I suppose.

Then we are looking at some of the projects, and how success is being measured is going to be in that carbon reduction. If we see that we funded a project and it is not delivering those reductions in carbon that we want, what happens then?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): That is in the responsibilities of the [Green Finance] Credit Committee. I think we circulated the terms of reference before this meeting. They do have within that the idea that if a project is not performing according to the objectives of the Green Finance Fund, that can be withdrawn.

Peter Fortune AM: Is there any expectation for money to be paid back or returned to the GLA?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): Yes.

Peter Fortune AM: There will be insurance policies in place, right?

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): I think our preference would be trying to work with organisations to actually try to deliver this. We certainly do not want to be punitive. Part of the job that my team and the Environment Team will be doing is to work very closely to monitor how things are progressing with these projects, to make sure that they can. Certainly, one of the things that we do at the outset is to try to test the feasibility of what is being said, to ensure that we do not get to that stage.

Shirley Rodrigues (Deputy Mayor for Environment and Energy): We do recognise there is an opportunity cost. That is why the feasibility approach is really tough, which is why, when we look at the applications that come in tomorrow, it will take some time to make sure that we are confident that they are going to be the ones that we want, they meet the objectives, they can deliver the savings and so on.

Peter Fortune AM: I recognise the inherent risk in some of this technology, which may be innovative and new to market as well. Last one from me - I think there is a 36-month period in terms of delivery where there is an opportunity, is there not, to fund projects that have already been delivered? Am I correct in that assertion? For people to apply for that, would they go through the same application windows?

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): I think maybe you are referring to what they call a lookback period.

Peter Fortune AM: That is the one, yes.

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): That is mentioned in the draft Framework. It is a standard condition within the bond market, whereby if you go to the bond market to secure funding, that funding can be used to finance projects that have started up to three years ago. You can refinance projects that have started up to three years ago.

We have included that in our draft Framework. It is there as an option because, as I mentioned previously, not having full control over the nature of the projects coming through, we wanted things to be as flexible as possible and we tried to create a framework to facilitate that. Whether we will use it or not, we are not sure yet. We have not got anything up to that length of period. It is just the flexibility to have if necessary.

Shirley Rodrigues (Deputy Mayor for Environment and Energy): Obviously, we want to fund new projects. The work of Catherine's team through the Accelerators is to identify new products from boroughs, universities and so on, identifying potential projects, encouraging them and helping them with business cases so that they are feasible and can apply, preferably to us, or PWLB or whatever. There is also the work that we have been doing through the [UK] Cities Commission for Climate Investment (3Ci) in the net zero national pipeline. Many of those projects sit in both camps, I guess, because everybody is looking for any source of financing.

I would not want to leave you thinking that people are just going to come in with projects that have already been funded. We are very focussed on trying to encourage that pipeline, because without that pipeline, the markets do not have the confidence that there are projects there to finance. We need that as well as the finance coming forward.

Peter Fortune AM: I think maybe Kenroy answered this, but I will double check. The late homework being delivered tomorrow, is any of that going to fall into these lookback applications that you are expecting?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): It could do. That would be within the scope of the eligibility of the fund. It will not be late if it comes in tomorrow, only after that. Then we will be waving our fingers at people.

Peter Fortune AM: That is fair enough. 11.59pm, I used to send mine.

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): Just to say that we circulated the mission and objectives for the Green Finance Programme and the Mayor has made it clear that he wants to accelerate decarbonisation in London. Sitting on the Credit Committee, if I received two identical proposals but one of them was something that happened two years ago and another one was going to happen but needed some help from the GLA to finance it, if it was a new project then that for me would take priority because it would be more in line with the Mayor's goals.

Peter Fortune AM: Yes. That is fair enough. Thank you.

Emma Best AM (Chairman): Thank you. Just a last question from me on this section. When we were here in November 2022, we talked about, in relation to the Green Bond element, creating market excitement around this. Do you think there has been market excitement?

Shirley Rodrigues (Deputy Mayor for Environment and Energy): When we launched it at London Climate Action Week, we did it at the 3Ci event, which had a huge buzz: lots of investors, developers, consultants, local authorities, government officials. Catherine talked about the bond after I had done the opening. Certainly, the conversations I had with people were that people were pleased that it was happening, recognised the need for it and were wanting to do more. As ever - and I am sure Enver and Kenroy are much more closely involved in this world - they are excited but desperate for more investment, wanting to do more but needing to understand what the pipeline is, what the macro conditions are at government level, the market context and so on.

Emma Best AM (Chairman): Kenroy and Enver, is that something you would agree with, that there is market excitement?

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): I agree, up to that point. I do think - and I am not trying to get political - investors would also want to see that there is a bit of alignment and congruence between that local government level and the national Government level, so that any investment they are making in renewable energy, or any particular theme is supported all the way through. Having been at the climate budget session for the last three days with 13 other countries, the outlook from the outside looking in now is that confidence to back investors to think this is a good thing to go into is probably not there as much as it might have been a few weeks ago, because it might not have the same kudos as it might have done a few weeks ago. That has not been proven by any facts, that was just the perception that was fed back to us by other countries from the outside.

Emma Best AM (Chairman): Thanks. I am going to go to Assembly Member Cooper for the next section, but were you going to ask any questions of Shirley?

Léonie Cooper AM: I might do.

Emma Best AM (Chairman): I was going to try to let you go early, let it be known, but --

Shirley Rodrigues (Deputy Mayor for Environment and Energy): It is fine. I am here until 3pm so that is no problem.

Léonie Cooper AM: I might do. I have been known to ask the Deputy Mayor a few questions --

Shirley Rodrigues (Deputy Mayor for Environment and Energy): Oh no.

Léonie Cooper AM: -- in the past, and I suspect it may happen in the future.

I just have one question, actually, that I just wanted to start with. We want to move on to talk a bit about the governance. The details of the people on the Green Finance Steering Committee were sent to us a bit of time ago in the past. I just wondered if you could update, because at the moment it still lists under GLA leads David Gallie [former Chief Finance Officer and Executive Director of Resources, GLA], who is now lately not of this parish. I wondered if someone has replaced him.

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): Yes. The terms of reference for the Steering Committee are by role rather than by name and perhaps previously we sent you names. It is the Chief Finance Officer. That role is currently occupied by Enver.

Léonie Cooper AM: Right. OK, so it would be the Executive Director for Good Growth, the Chief Finance Officer, the Assistant Director for Environment and Energy, the Assistant Director for Group Treasury, Head of Climate Change, and the Head of Impact Investment and Analysis. Those are the GLA representatives?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): That is correct. Then it is chaired by the Chief of Staff.

Léonie Cooper AM: Chaired by the Chief of Staff with the Deputy Chief of Staff. Then also, obviously, the Deputy Mayor for Environment and Energy, and also Natan [Doron, Mayoral Head of Policy], who is on policy and delivery. Obviously, that has to balance between the people on the more financial side and then more on the environment and energy side.

Shirley, you set out briefly the three areas for CapEx. Is there more of a hierarchy or more of a methodology within that that says, "This project is going to be better than another project"? Would you say that energy efficiency takes precedence over transport or transport takes precedence over renewables, or you are looking at each project on its own merits? What sort of methodology are you using?

Shirley Rodrigues (Deputy Mayor for Environment and Energy): I think it is on its own merits. There were three things to look at: the cost of carbon, the additionality and whatever the other one was, meeting those criteria. It is the job of the LTL advisors and the Credit Committee then to take the right balance. There is no preference for one over the other.

Léonie Cooper AM: This is probably more to Enver. Are you confident that you have the right balance on the Green Finance Committee between the environment expertise and the financial expertise when choosing which projects should be given funding, bearing in mind we are not going to look in the box until tomorrow?

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): I would say I would go for quality over quantity and just hope that the Environment people that we have the teams behind them, so that even if you have one or two people there, they have done the necessary assessment and work before they come into that committee. It is not about the number of people at the committee, but it is more about the work that they have done before it comes to that committee.

I do not chair that particular committee; I chair the Credit Committee and I have external experts there that ask the right questions as well. However, yes, I am confident that my Environment colleagues will test what comes before that committee before it does.

Léonie Cooper AM: It sounds, Catherine, as if there is a job of work for you and some of the staff who have been appointed to do that scrutinising of the environmental credentials of the different projects to ensure that they are going to deliver the benefits that we have just been discussing. Are you feeling confident that you have the team in place now? I know we spent some time trying to get people recruited. Have you got the right people there?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): That is right. This time nearly a year ago, when we came to you in autumn {2022}, I think you were asking why nothing was happening, “Are things going fast enough?” and so forth. At that point, we did not have a team at all. We have now recruited for every position. At one point we hit the glorious heights of all nine roles being filled. One colleague has now moved on, so we are recruiting for that role, but eight out of nine is pretty good. That is four colleagues on the London Treasury side, financial experts and carbon analysts, and then four on my side in the Environment team. We are well-established now.

Shirley Rodrigues (Deputy Mayor for Environment and Energy): I just wanted to add that it is a difficult one to get the teams staffed up and financed because everybody is looking at this. It is a highly competitive field, and private sector and public sector salaries are obviously not the same. However, I think people who come here are very motivated to work in this area, so that is brilliant.

If you wanted any testament to the Rottweiler-ness of the team and their expertise, I know that when we were advocating for the Public Sector Decarbonisation Scheme the [London] Fire Brigade (LFB) had put in a number of applications and were turned down. Our team went to bat for them and got them to change their minds and secured funding for them, which really shows their technical expertise but also their advocacy skills. Hugely important, I think, to have that, and again, thanks to them for all the work that they are doing.

Léonie Cooper AM: That is good to hear. Obviously, there can be external factors that can cause delays and that can then lead to a loss of confidence. It can also increase expense. For example, COVID has caused the Thames Tideway Tunnel, a huge infrastructure project, to be slightly delayed, and it also probably has costed a bit more. High Speed 2 (HS2) appears to be no longer high speed in its original conception. It appears to be joining Old Oak Common to Birmingham, which I do not think was what was originally planned. Partly, there are assessments being made on the massive increase in cost applied to that project.

Do you think that we are in any danger at all – because you were talking only about CapEx projects, probably infrastructure projects – that there could be delays that could increase the costs and threaten the viability of some of the schemes that we might want to see coming through from this funding?

Shirley Rodrigues (Deputy Mayor for Environment and Energy): Again, I will ask Catherine, Enver and Kenroy to come in, but when people are looking at the feasibility of projects you look at everything and you try to foresee what there might be. There are always unforeseen incidents like COVID, like RAAC, like Grenfell [Tower Fire], combustibles and so on. Those things you cannot foresee, but obviously we try to do our best, and then I think we have to mitigate those if those eventualities occur.

There are known things that you can try to project or predict, like inflation. We know roughly how unstable the economic conditions are. Enver talked about market uncertainty because of policy prevarications and dithering, which is not helpful, which then causes the cost of investments to go up or in fact loss of confidence to invest at all. Those things are out of our control, really. What we can try to do is then either help mitigate or try to find alternative sources of finance to help plug the gaps. It is a problem and we really do need a period of stability and long-term signals so that the market can invest confidently.

Léonie Cooper AM: Yes, I do agree. There is an argument that says that HS2 has partly suffered from the blight that it is suffering from because of Government dithering and delay, as you say. Enver, do you think this is a problem that we have taken sufficient care to navigate our way past, in terms of delay increasing costs?

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): As Shirley said, it is about assessing what the threats are when you are making that investment choice. If one of the criteria is that the schemes we want to do – ignoring the ones that have already happened, but future ones – are shovel-ready within three years, that reduces the horizon of the risk.

None of us have a crystal ball, but can we accurately foresee all of the risks that might occur in that technology in the coming three years? I would hate to say here that we have got it all covered. That is why we have Steering Groups and Credit Committees, to challenge that, and other external experts as well, experts in the finance world in this market, and why we created the Green Finance Team of people whose job it is to just look at this day in, day out.

Some of the risks, talking to some of our colleagues from overseas, are that sometimes the technology does not come on board as quickly as the project may assume it does, or there is a knock-on effect. You can replace all the trucks in the city and say, “Right, all the trucks that come in have to be electric from this day onwards”, but then you need the vehicle infrastructure to be able to charge them up. Whereas it is known, for example, that cars can be charged up overnight, trucks have a requirement to charge up during the day. Can the National Grid take that? You start getting into and this, that and the other. Have we got all the bases covered? I would say probably not.

Léonie Cooper AM: Absolutely. Sometimes people start talking about technologies that simply do not exist at the moment. I believe the Prime Minister has been talking about carbon capture and storage, which a lot of people have talked about for a long time but does not exist as an actual thing, particularly, yet.

I just wondered if I could come back to you a bit more, Shirley. We have explored the fact that you want to focus on using the proceeds of the Green Finance Fund on renewable energy, energy efficiency and clean transportation. What was the logic that led to the choice of those three specific areas?

Shirley Rodrigues (Deputy Mayor for Environment and Energy): The biggest source of emissions in London, our buildings and transportation system, essentially.

Léonie Cooper AM: Is there any chance that it could be used on anything to do with agriculture, because obviously that is a huge source of emissions, or is that not something we are looking at?

Shirley Rodrigues (Deputy Mayor for Environment and Energy): Not yet. We talked about adaptation earlier. I think similarly, any of those sorts of areas that are out with the current terms of reference, we could only move on -- I think we have more than enough demand for finance from those areas before we get on to the others. However, as I said, we are keen to look at other thematic areas like adaptation, nature-based solutions and so on.

Léonie Cooper AM: I think we have agreed that at this stage we cannot possibly say how the other £315 million might be split between those three areas. Thank you very much, Chair, I am finished.

Emma Best AM (Chairman): Thank you. Assembly Member Russell.

Caroline Russell AM: Thank you, Chair. I have a question for Catherine. Say the market conditions for the issue of a Green Bond were in a good place. That would mean that the GLA was committed to paying out interest, which provides a risk to the GLA. I am wondering what the internal oversight arrangements are for the sale of Green Bonds and also how the Assembly, this Committee or the Budget and Performance Committee would be involved, consulted, and informed in terms of what those governance arrangements are.

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): The actual management of some of those interest rate risks that you alluded to rests with my team. I think this was discussed at the Budget and Performance Committee last week [21 September 2023]. The key bit for us is a matching exercise, in effect. If we are borrowing at one rate from the bond market, we need to lend as close as possible to - if not identically - the same rate, therefore minimising the interest rate risk to the GLA. That is what we need to make sure that we manage properly. Notwithstanding that, there is always potentially a timing issue and there is £75 million available to cover some of that risk.

You touched on the governance and there are two layers internally within GLA. Firstly, there is the Credit Committee, which looks at and agrees what interest rates we will actually provide to projects. Part of the work that we need to be doing is to show how we are doing that matching exercise. Secondly, there is the Green Finance Steering Committee that we report to on general performance, as to how the programme is performing. Again, as was discussed last week at the Budget and Performance Committee [21 September 2023], that is also an avenue for the Committee or the Assembly to scrutinise how that is performing.

Caroline Russell AM: Those meetings of the Credit Committee and the Green Finance Steering Committee, are they held in public, or are they behind closed doors and the minutes get published?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): They are behind closed doors, and the reason for that is that there are commercial sensitivities as people come to us and ask for financing.

Caroline Russell AM: Of course.

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority):

However, as we have said, we will publish at the end of each year a list of the projects that we have financed, the likely impacts, the net proceeds that we have received from green finance, any payments back, what we have allocated outwards and how much there is left to allocate. We will be transparent, but we will do that not on a project-by-project or month-by-month basis, we will do that at the end of the year.

Caroline Russell AM: When you say, “the end of the year”, is that the end of the calendar year or the end of the financial year? Are we expecting that in April [2024] or December [2023]?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): The Chief Investment Officer made a commitment last week at the Budget and Performance Committee that we would do it at the end of the financial year [April 2024]. I think that has been our offer.

Caroline Russell AM: OK.

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): One more thing. I think one of the parts of your question has not been answered, Assembly Member, which is: when can the Committee have a bit of a say? I will personally commit that at the point where we think the green bond market is picking up, I will get the relevant Committee Clerks to add it on to the next available agenda of either the Budget and Performance Committee or this Committee so that we can come back and involve you, if that suits.

Caroline Russell AM: I think that would be very much appreciated. Presumably it will just depend in terms of timing on whether there is a Budget [and Performance] or [GLA] Oversight meeting coming up next. However, I think presumably we, the Assembly, would like to know about this as soon as possible.

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): I doubt it will be an instant thing anyway. Once the market starts to pick up and we think, “Look, it is starting to get better”, it might be something that is now going to be coming up rather than, “Let us do it next week”. It will not happen that quickly.

Caroline Russell AM: My next question is about the Green Finance Fund. I am wondering how you are going to measure the impact of that fund. Is that for Catherine or for Kenroy?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): We have touched on this before, but maybe just to say something about the indicators because this was something we have had tested a few times. We do have comparisons that we can draw with the Mayor of London’s Energy Efficiency Fund (MEEF), which is still running this year and comes to a conclusion next year. That also financed projects both in energy efficiency and in renewable energy and that had forecast impact targets. With the hundreds of millions of pounds that it secured for investment, it had carbon dioxide (CO₂) outcomes that were expected, megawatts of renewable energy installations, etc. We can compare ourselves against that and I hope we would be doing as well as that. Those outcomes are published by Amber Infrastructure Group, who run MEEF for the GLA. We could share some of those after this meeting if that would be helpful.

Caroline Russell AM: That would certainly be helpful. Does that break it down into individual projects or is there some other method for tracking what is happening with the individual projects?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority):

Obviously, when business cases come to the Credit Committee, we will be aware of the projected carbon savings or the projected generation capacity that they are suggesting, and we will track that over time. I would not expect a uniform carbon saving per pound. If a project is more innovative or it is a first of a kind, then that may be more expensive but it is still worth doing because it can lead the market. In other cases, people will be doing energy efficiency projects that are fairly well-established and have a decent payback, but they are quick to get moving. I think we would expect to see a balance within the portfolio of those different types of project.

Caroline Russell AM: That is really helpful. Thank you very much. Thank you, Chair.

Emma Best AM (Chairman): Thank you. Would you not be putting these items in the quarterly performance report?

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): We can consider that, Assembly Member. We have started doing that with the climate budgeting and we do a summary level. It is about how much that performance report goes into detail, because it is a very specific part of a very specific part of our agenda. When you look at the performance packs, the level of detail we go into is usually one indicator per area. It would need to go through a ratification. We can gather the information; it is whether it should form part of that public report or if it is something we could share with the Committee instead. I cannot guarantee at the moment that I could put all of that detail into a quarterly pack which is meant to be for the whole corporate organisation.

Shirley Rodrigues (Deputy Mayor for Environment and Energy): We need to balance the time collating the information and then reporting it and doing all the verification. Quarterly sounds a little bit too much, but why don't we take that away and see what we can do?

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): We can see what is practical.

Shirley Rodrigues (Deputy Mayor for Environment and Energy): Yes.

Emma Best AM (Chairman): Yes. Perhaps not an in-depth report, but if it was a headline almost.

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): A headline KPI type thing?

Emma Best AM (Chairman): Yes.

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): That might be reasonable to do that, and we can keep the detailed scheme-by-scheme stuff non-public but we can always share.

Emma Best AM (Chairman): Yes. If you give us a headline, then perhaps it should show if there is something interesting happening that people might want to ask more about, or if it is ticking along.

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): Of course.

Shirley Rodrigues (Deputy Mayor for Environment and Energy): Which is sort of what you have been doing anyway.

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): Yes. In the KPIs for previous financial years, that was not part of what the Environment and Energy Team or Green New Deal mission was reporting against, but in our overall commentary about progress that we had made as a mission we did start writing about the Green Bond, or the Green Finance Fund. In the last quarterly edition that we presented to the Assembly, we mentioned the two investments that were being made in TfL and LLDC. Although it was not an official KPI, we knew that the Assembly would be interested so we included that in our write-up.

Emma Best AM (Chairman): Thanks. Shirley, you are still here. Are you having a lot of fun or do you want to take this opportunity to go?

Shirley Rodrigues (Deputy Mayor for Environment and Energy): I just want to finish by saying - and I said thank you before - that this is such an important issue for us, not just for London but for all the UK cities and internationally. How do we mobilise more finance into this area? There is a lot more money going into renewable energy and so on, not enough into energy efficiency, and I think that is partly a function of how difficult it is to get a return. Just starting this work gets investors interested. We are having these conversations at our level, city level, 3Ci and elsewhere internationally as well, it really is galvanising people, but we obviously need to accelerate this. Thank you.

Emma Best AM (Chairman): Thank you for joining us, anyway. Assembly Member Bokhari?

Hina Bokhari AM: Thank you. I am going to be talking about the Second Party Opinion (SPO) review. Catherine, this is for you. Could you tell us about the outcome of that review of the draft London Green Financing Framework?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): With apologies, I feel like I keep passing things to Kenroy but he is actually the person who commissioned this review, so he is best to lead.

Hina Bokhari AM: That is fine. He knows his stuff.

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): That review is ongoing at the moment, so we hope it will be concluded fairly soon. It might result in some amendments - or enhancements, I should say, rather - to the draft Framework. Once that is finalised, we will publish the finalised version. It will go to the Credit Committee if there are any amendments, and the Committee will look and sign that off and as soon as it is finalised it will be made public.

Hina Bokhari AM: What are those enhancements and changes that you are going to be doing?

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): It is based on some of the discussions that we have been having with the reviewer who is looking at it at the moment. There were two bits. One was: do we want to have independent verification of the impact and how the financials are managed? I think that was a given, but they said it is not written down in the report, so we will need to take that to the Credit Committee and say, "Here is potentially how to enhance it. Could we look at

that?” It is more around mechanical stuff like that, as opposed to the broader policy of, “These are the three main areas”. It is what I consider operational and mechanical aspects of the Framework.

Hina Bokhari AM: The deadline for the final publication?

Kenroy Quellennec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): We are certainly trying to get that out as soon as possible. My team is working quite closely on this and we are trying to really wrap this up. We are talking about weeks rather than months.

Hina Bokhari AM: You will be publishing the SPO? That is the intended thing?

Kenroy Quellennec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): Yes, we will.

Hina Bokhari AM: Enver, I would like to talk a little bit about the Credit Committee. You said you chair the Credit Committee, and I would like to know a little bit more about the external representatives, if I may. What is their background?

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): We had an interim person while we were recruiting, and I think we have only just recently recruited. I am going to pass this over to Kenroy because I have not seen the applications. I believe they are being assessed.

Kenroy Quellennec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): The interim person had a wealth of experience around investment finance and banking, coupled with investing in sustainability assets, as well as policy work, so very well-qualified for that role. As Enver said, we then went out to recruit permanent members. We have selected or identified three equally qualified members with a mix of public finance, private finance, investment policy and sustainability experience and we hope, subject to the usual references and checks, to announce those three members shortly.

Hina Bokhari AM: Have you got a clear understanding of their roles and what contributions you are expecting from them, and has that already started?

Kenroy Quellennec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): Yes, it is very much to provide independent, objective critique and guidance when coming to consider the applications that are coming forward to the Committee.

Hina Bokhari AM: I would like to talk about how many times they have met. Have you got a number? The Credit Committee, how many times have they met?

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): We have only met twice so far.

Hina Bokhari AM: Twice, OK. You have had to make some decisions. In the meeting of the London Assembly Budget and Performance Committee on 21 September [2023], it was announced that £180 million of the £500 million Green Finance Fund had already been committed, yet we have only got a chance to scrutinise this recently today. You have only met twice. What decisions have you made and how can we make sure that we are in the loop?

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): I am not sure you can be involved in the loop because that is why it has been delegated to us. As we said before, we will put in an Annual Report as to what those decisions are. We can give you what has already been decided so you can ask questions about what has been decided, but it is not ...

Hina Bokhari AM: OK. You mentioned something about adding to the agenda.

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): That was about the Green Bond, if we changed the vehicle.

Hina Bokhari AM: That is different to this.

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): Yes.

Hina Bokhari AM: Can you perhaps add to your agenda for the Credit Committee a better way of relating back the information to us in a more timely manner? Is that something that we could do?

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): There has not really been a time lag between seeing you and those decisions. The Committee has met twice in the last six weeks and this is the first invite I have had to it. We are being very transparent. There are only three decisions so far and we said we have a pipeline, hopefully coming in tomorrow. There is not even a time lag, in reality, of letting you know what those are and how much we have spent. There will be an annual report, as the Chief Investment Officer has promised, that will come out with all of that.

Hina Bokhari AM: Any projects that have been approved that you can --

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): No, I have told you the three that we have done, and the rest will be dependent on what applications we get tomorrow. Those will take a while before they come in front of the [Credit] Committee because they have to go through, as we have just been discussing for the last hour, the assessment as to which ones should come forward, the criteria, and further work with those who have applied. Then they have to go through to the [Green Finance] Steering Committee, and then only those that make it will get as far as the Credit Committee.

Hina Bokhari AM: Can you tell me a little bit about the responsibilities of the Green Finance Steering Committee and the Green Finance Fund Credit Committee and how they work together? Just some clarity on that.

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): I will pass that one to Catherine.

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): Yes, of course. We circulated the terms of reference for both of those committees in the pack that we sent to your Committee beforehand.

The Green Finance Steering Committee is really setting the strategic direction for us. That is why it has the representatives of the Mayor's Office. They have set us the mission and objectives that we are to deliver. It also acts as a project board and oversees the implementation of the whole programme, so if we were not on track, if by this time we had not invested any money or come to them with the wrong sorts of projects, we would be hearing all about it. The role of the Steering Committee is also to make those strategic connections with other things that the Mayor is trying to achieve, so the other corporate priorities and policies. They look at our project plan where we say, "This is what we are expecting to do in the next quarter, these are the staff that we need", etc, and if we recommend any changes to that plan, we discuss that with them.

We take them the EoI, however, they do not look in detail at business cases, that is not their expertise, but they do check that it fits with the strategic objectives of the Mayor's London Environment Strategy, of the Green Finance Fund, etc. Then if they say yes to that, we pass that on to the Credit Committee to look at the detailed financial analysis and carbon and environmental analysis. We also take them our risks and any issues that are arising and resolve those where we can.

The Credit Committee is smaller and more technical. It receives the project proposals in detail and scrutinises them. It is also responsible for the framework that Kenroy has described, and once we get the SPO in, if there are any proposed changes to the framework, it is the Credit Committee that will approve those. It satisfies itself that the assessment of projects has been carried out properly. We quiz LTL colleagues on "Have you run the maths properly?" and they explain why they have and we challenge that, and eventually it decides on the investment recommendation. That is more technical and the Steering Committee, as you would expect, is more strategic.

Hina Bokhari AM: Thank you for that, I needed that. That was good. Well done.

Emma Best AM (Chairman): Thank you. We are dwindling over here, but quality, not quantity.

Elly Baker AM: Absolutely.

Emma Best AM (Chairman): Assembly Member Baker.

Elly Baker AM: Thank you, Chair. I have a couple of questions on risk management. The first one is directed to Catherine or Enver, however you want to split it up. What are the main considerations when balancing the environmental goals with the recovery of the loan?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): It is between us, really. Go ahead, Enver.

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): It is a really good question. There are criteria, as Catherine was mentioning earlier. It has to have no more than X amount of pound cost towards tonnage of carbon reduction. There has to be payback period that fits within certain criteria. It does not really get in front of me until it has at least met the minimum.

It is always a tough one because it is a decision that I have to grapple with, not just with individual projects but across the whole spectrum of what the GLA group does. Is safety more important than housing and is housing more important than net zero? Then they all overlap with one another, and you find, "Actually, this one ticks more boxes than climate. It ticks more overall agenda items". When we look at that, we are looking at: how

many overall targets is this going to help towards? Then there is the whole payback risk. We have to balance that.

If there is a payback risk, that probably takes priority over anything else. We have to minimise that risk and that risk is minimised by who we lend to; we have certain criteria. As the Chief Investment Officer described to the [London Assembly] Budget and Performance Committee, it is usually almost the lowest possible credit risk organisations, ones that have a similar credit rating to the GLA, that we would lend to, but using our powers and economies of scale that we get that discount that we pass on to them. Usually there is a minimal risk in terms of payback. That has to be the highest priority. Then you weigh up: what is the best payback in terms of air quality reductions and how many boxes does that tick?

When it comes to the [Credit] Committee, we have all of those factors to consider. We have hopefully three people who will be available as well, external to the organisation, who will help give us that much more objective view around some of those non-financial aspects as well. I would say - and you would expect me to say - that the finance stuff prevails over anything else first.

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): I would give the mirror image of that, which is that a project that did not have decent financials would not make it to the Credit Committee. It might have fantastic carbon savings and I might really like it, but if Enver and colleagues do not say that it stacks up, we would not even look at it. Of course, then once the financials are good enough, I would be pressing for the projects that have the highest carbon savings.

One of the questions I think is implicit in much of this discussion is: how do we prioritise if we are oversubscribed? We have not yet been in that fortunate position; maybe we will be after tomorrow, I will be delighted if we are. That is something that the Steering Committee has guided us on. They could have said to us, "We want to go for the most innovative projects that have never been done anywhere before", or they could have said, "We want a balance across all of the boroughs", or, "We want a balance across the three different pillars of the programme". Actually, what they have said is, "If you are oversubscribed, go for the projects that have the fastest delivery and the largest expected carbon reduction., basically, accelerate net zero delivery as quickly as you can". That is something they have said to us and we will operate accordingly.

Elly Baker AM: Thank you. Just going back to the risk of it, Enver, what you are basically saying is there is a certain level in terms of recovery of the loan, and if they do not get across that then they are not really going to get into consideration.

Now I am by no means a finance specialist, as I am sure you are aware, so please do advise me if I am making any incorrect assumptions. In terms of interest rates, where they are at the moment, that has to surely have an impact, either on the predictions of being able to get the money back or the affordability of people putting in bids overall. How is that affecting your judgment of payback of the loans, or is it simply that the ones that will not be paid back will not come in front of you?

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): Let's assume that we think they can pay it back because they are safe. The interest rate is obviously a decision that has put some parts of the GLA group and other organisations off borrowing because they think now is not a good time. If you think that in the short to medium term, interest rates are going to come down - which, fingers crossed, we are all hoping they will - then it might put off an organisation borrowing for 20 years at a fixed rate that we would give now, because in three or four years they would look at it and think, "Why on Earth did I borrow money at that rate?". We would have to offer flexibility going forward.

I think Kenroy described it better than I - that what you do is you offset and you try to match your lending and your borrowing at the same time. We have a whole team of people whose job it is to play the money markets every day, and that is what they do. That is why we have these experts that spend their time doing that and then just tell me how much money we have available.

We have the flexibility to reconsider that loan arrangement later on, but at this stage we are lending at a particular rate and then we use the £75 million pot that Catherine was referring to, which is £75 million of the £90 million that you will all know about, which is there to subsidise certain rates. What we do is say, "This is six percent. We will let you have at five percent, so we will take the hit on the one percent and we will pay that one percent over the duration of the loan from that £75 million". We have not had to do that much but that is what it is there for, to help offset that and to mitigate that risk for us. We are taking it out of one pocket, funding it from another, and it offsets it.

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): Just to try to inject a small note of optimism, it obviously has been a really difficult year economically. One thing that we have also seen, as well as the high interest rates making it harder to make those business cases, is that as a result of the conditions we have experienced with high energy prices - which none of us would have wished for - energy efficiency projects are now more attractive because they are saving higher costs. We have definitely seen that within the GLA group, a heightened concentration on energy bills and then how they could be reduced, and I think that is true across the public sector. We would not have wanted that but it is focusing minds.

Elly Baker AM: That is interesting. Just to come back to Enver, I want to finish on this. At the start of your previous answer, you were saying effectively - and correct me if I am wrong - that we will lend to safe organisations, these are the people we lend to. Has the recent instability around markets and stuff like that affected your consideration of who is safe, who is a safe organisation, who is a safe institution or not, or is that the same?

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): It is the same because it is mostly local authorities. They are in one category. Then you have the next category, which is NHS trusts and social housing, and we have an external expert company that assesses that first. We have not had any yet but there might be some tomorrow, I hope. We have put the belt and braces around it to make sure that we have the right opinions before we take things forward. You can imagine we are cautious when we need to be, but local authorities are safe. Even if they are under a [Section] 114 (S1140), their credit rating somehow does not get affected because of the backing from Government.

Elly Baker AM: Because basically, one way or another, the money has to keep going around there. Thanks very much for that. Back to you, Chair.

Emma Best AM (Chairman): Thank you. Enver, Kenroy, I just wondered what you would say or how you would respond to the accusation there has been in the media around green bonds being a fad. I think the Japanese Government's Pension Investment Fund's (GPIF) Chief Investment Officer stated that green bonds are "more costly, complicated and cumbersome" than other bonds because they may attract the same or similar interest rate but have less liquidity. What would be your response to those accusations or suggestions?

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): Certainly, given the added need to demonstrate where you are investing that money once you have borrowed it on the

green bond, there is going to be more, shall we say, bureaucracy compared to an ordinary bond. That is probably the first thing to say. That is probably a given because, as implied by the question, people are going to want to know if you are really investing in a sustainable energy or green investment, because that is what you have set out that you are intending to do.

I think with more and more comprehensive impact reporting, that should allay any concerns that people have about this. For us, it would be hard for anyone to say that what we are doing is not supporting environmental activity, but what we are looking to do, as I touched on previously, is to also get someone to verify and look at the impact that we have done to say, "Yes, this is indeed environmental activity that is undertaken. We are investing in green infrastructure".

Emma Best AM (Chairman): Yes. I think what people would be concerned about would obviously be: is their money safe as taxpayers, is it being spent well, and are they getting the best outcome environmentally and to the public purse? What would be your reassurances around that, that this is not just a fad and it is the best way to utilise?

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): This is, after all, from our perspective, public funding and we do not treat it differently. It might be labelled as green finance, green bond, but the same relevant checks and, indeed, scrutiny that goes around investing public funds also apply here. One of the rationales for going to the green bond market is because a lot of institutional investors have a responsible investment strategy and want to invest in those areas. Had we not gone to the green bond market; we probably would have gone to the PWLB. It is not labelled as a green fund, but it is still a source of finance that will help us to invest in environmental infrastructure. The same principles and checks and balances that go into investing other public monies also apply here.

Emma Best AM (Chairman): Thanks, Kenroy. Assembly Member Prince.

Keith Prince AM: Thank you, Chair. To coin a phrase, "Who would have thought?" Earlier, Assembly Member Cooper stumbled into risk management and has actually asked my questions already, but probably a much better way of asking them than I could so I have no issue with that. There is one question that I would like to ask. I know we have only done three so far, but do we know if this is creating green jobs, the investment fund?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): What a good question.

Keith Prince AM: Well, I thought so.

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): We do not specifically ask about job creation in the application process, I believe. Kenroy, correct me if I am wrong. We ask about wider environmental and social impacts.

The projects that we are talking about are within the GLA group and I do not believe that people have come to us saying we need to therefore expand our staffing to do this. I think what is happening is that staff who are employed by the GLA group are being given the green light, no pun intended, to go ahead with projects that will make a difference for carbon savings, energy savings, etc. If it were not for that financing that we are making available, for example, in TfL, perhaps they would be doing other maintenance and renewables

projects, but because this money is available affordably, it is allowing them to do projects that might otherwise have been delayed.

Keith Prince AM: Would it perhaps be worth monitoring if there are any jobs created, because it is a good thing if there are, isn't it, surely?

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): Yes. Whilst, as Catherine indicated, the core indicators are environmental, we have given projects within the application the ability to include any wider impacts that might be derived from the projects. I cannot say off the top of my head if jobs created has been included, but certainly we would encourage and ask them to report on wider impacts and potentially jobs as well.

Emma Best AM (Chairman): Thanks, Assembly Member Prince. I would just say that Members ask the questions. They cannot control how guests answer. That was certainly the case when Assembly Member Fortune asked the questions. I would have to go back and see on Assembly Member Cooper. I will video assistant referee (VAR) that one later and see if you strayed or not. Assembly Member Fortune, over to you.

Peter Fortune AM: Thank you. I actually asked for clarification on your question, which is how many applications we have had, and the answer was, "We will know tomorrow".

Emma Best AM (Chairman): Are you blaming me?

Peter Fortune AM: Yes. No, no.

Keith Prince AM: Well, of course. You are the Chair, you have to take the blame.

Peter Fortune AM: Then I said, "Will we know?" and then we were told. I did not go anywhere near Assembly Member Cooper's question. I am going to put a crisp fiver on it.

My questions are about risk. Actually, when Assembly Member Baker asked her excellent question earlier, she got some of the answers for the question I was going to ask. That is what happens with questioning when you are an effective questioner. The question was about how you are managing risk in terms of those projects which are not making a cash saving. I think you covered that by saying that you would not invest in them, they would not get to the table. Then, "How do you manage the environmental benefits that come out of it?" which you talked about as well. They were covered for me.

A couple of free-range questions then in terms of managing risk and lessons learned. There are two bonds that we have issued previously, one around Crossrail and one around the Northern Line Extension, I think. What did we learn from those exercises?

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): The first thing to say here is that the approach that we are taking now is different. Where those were single, specific activities or projects, if you like, what we are doing here is potentially several projects. If we do issue a bond, it will be covered within the three areas, the three categories. That is probably the first thing to say. It is not entirely like for like.

Certainly, one of the things, probably going back to a previous question, is around trying to keep it as flexible as possible. You do not want to create terms and conditions within that framework that make it quite difficult

for you to deliver once you have the funding. This is one of the things, not just looking at the ones that we have done but also other cities as well.

Equally, one of the bonds that we have also done was a variable one linked to performance. Again, what we did not want to do is to be tied in to, "Here is a specific indicator that you must attain", because we do not have control over all the projects, or as much as we would like, it makes it difficult to hit that and you could be penalised financially if you do not hit that.

Peter Fortune AM: Just to unpack that, the answer is that the previous issuances were for specific causes. They were specific financial vehicles to deliver something, so you get a result there. This is different. This is more of a fund you can dip into.

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): Indeed.

Peter Fortune AM: In terms of the lessons we learned from that, it is going to be in terms of process and setting it up.

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): Yes. To some extent, the process of going out there and getting it -- you do a framework, and you talk to the banks and lawyers to get it up and running.

Peter Fortune AM: I may be off-target a little bit here - I had a quick shoot through the internet beforehand to see if I could find it - but something in the back of my head is telling me that the Glasgow [Financial] Alliance [for Net Zero] (GFANZ) vehicle that was set up to do something similar, to have an investment fund specifically for green projects, ran into trouble. Like I say, if I am wide off the mark here, that is fine. Are there any indications from commercial projects or any risks or concerns that are being raised by commercial projects that could influence us?

Kenroy Quellenec-Reid (Head of Impact Investment and Analysis, London Treasury Ltd): I have not kept abreast of that. Certainly, one of the things that we have been looking at is the MEEF, which is externally managed. That is quite similar to what we have been doing and we have drawn quite a lot of lessons from that. Those were more what I call "operational issues" than probably along the lines of risk. Keeping the process simple. Some of the people that we are lending to here, the entities that we are lending to here, can get funding from PWLB quite easily. How do we make it quite simple for them?

One of the key differences here, linking it back to risk, is who we are lending to. We are very, very cautious about that, GLA group and local authorities predominantly, to manage that credit risk. I talked about how we are then managing the interest rate risk around matching.

Peter Fortune AM: So really the application bar is a touch higher. We come back to the applications again. Catherine, you have got an exciting day tomorrow. It is almost like Christmas, unwrapping the box. I bet you wish you had not said that now, and you tip all the applications out.

Can we get a list? I know we cannot get the details because of commercial reasons, but can we get a list of who has applied? It would be interesting to see if it is just ourselves applying or if we are reaching out to partners, because that would be an element of risk if people are not picking up on the opportunity.

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): Sure. I think we have a responsibility to our [Green Finance] Steering Committee to update the Mayor's Office first, and colleagues there, about what we find inside the box. I would be happy after that to update the Committee on the sorts of applicants that we have had, whether that is from GLA group only or whether it has gone out to boroughs as well.

I should say that we have agreed with the Steering Committee that if we get applications from boroughs, we will anonymise them. We will tell them it is this sort of project, it is renewable energy and it is going to have this many megawatts per pound, but we are not going to say it is from the borough of such and such, and that is just to avoid any risk of political compromise; we want to protect them. In the same way, I think it would not be appropriate for us to come to you and say we have heard from Borough X, Y or Z, but we can say, I think, what different categories of applicants we have had.

Peter Fortune AM: It is partners, not just the GLA family as well. Rather than wait for the next meeting, have you got any idea when that might be? Timeframes?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): When is our next [Green Finance] Steering Committee? In October [2023], I think. Yes. Perhaps I will commit by the end of October to update if that is all right.

Peter Fortune AM: Thanks very much. Thank you.

Emma Best AM (Chairman): Update us on the list of categories by the end of October?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): At that point, with the permission of the Chair of our Steering Committee, I will come back and say: did we get applications? Did we get them from more than just the GLA group?

In a way, the easier part for us to lean on is the GLA group because the Mayor has made his Net Zero 2030 target very clear, and through the climate budgeting process that Enver described in such detail at the Budget and Performance Committee last week [21 September 2023], we have really forced all of the functional bodies to think about their pathway to 2030, and to say what they can afford out of their own budgets and where they cannot afford it. Then those unfunded projects, we have really pressed them to come to us in the Green Finance Fund to borrow from us in order to accelerate their progress. We do not have quite that same clout with the boroughs or further education institutions, the NHS, etc. We are waiting to see whether our powers of persuasion and the offer that we are making with this product are good enough. That for me is the real test.

Emma Best AM (Chairman): I get that. My only question was: are you only going to tell us the categories at the end of October? We are discussing this today. We are scrutinising it as an item on our agenda. You can send it confidentially to us. I do not see any reason why you would hold that information from Members if you know it tomorrow. We do not mind being the second, third or fourth email that knows that information, but I do not see why we would have to wait until the end of October to know that.

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): I think what Catherine was saying was that it needs to go to the Green [Finance] Steering Group and they are not meeting until mid-October, so it cannot be before they get it.

Emma Best AM (Chairman): We cannot know the categories of who has applied?

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): Not categories. It was not categories, the question from Assembly Member Fortune was who.

Emma Best AM (Chairman): That is why I clarified.

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): I see.

Emma Best AM (Chairman): I asked Catherine, "When are you telling us we can have the categories?"

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): I am really not trying to be slippery here, but it is possible that some of the applications that come in will not be eligible. If I come to you and I say, "It is fantastic, I have 11 applications", and then later on, by the middle of October, I go to David Bellamy [Mayor's Chief of Staff] and the others and say, "Half of them were not legit or they had misunderstood our process", I might be over-exciting you if I shared those numbers straight away. I am just being cautious. We would like to do that first filter and then come back to you.

Emma Best AM (Chairman): Eleven would be a good number?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): Let us see what we get.

Emma Best AM (Chairman): OK.

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): We will see. I genuinely do not know. We have talked to a lot of boroughs --

Emma Best AM (Chairman): I do not find 11 very exciting so do not worry, we will not get very excited. Eleven seems like a high mark at this point, is it?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): We will see what we get from the boroughs.

Emma Best AM (Chairman): OK.

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): Genuinely, I know that one or two have said they will definitely put in applications and a lot of others have said they are bubbling up, they are brewing applications, but whether they come to us in the first round or the second I do not know.

Emma Best AM (Chairman): I have just got an image of council leaders across London with cauldrons. Assembly Member Boff.

Andrew Boff AM: When does the public find out what these allocations are?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): We have said we will publish an annual report and our Chief Investment Officer has said that will be at the end of the financial year. We have been pretty transparent. We launched at the --

Andrew Boff AM: Yes. This is not a trick question, I am just --

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): -- end of June [2023] and straight away put that in the public domain. We have told you today about the ULEZ investment. That was within a very short period after the decision was taken.

Andrew Boff AM: All the details available to the [Green Finance] Steering Group, we will know by the end of the financial year?

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): Yes. I would expect that the Mayor will want to talk about these investments so I would be surprised if they do not go into the public domain sooner.

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): I would say that the Annual Report is where it all comes together in one place but you will be hearing about the individual investments much sooner than that, as and when they come through and they have gone through the necessary assessment and criteria. If we can take them all, for example, in one particular [Green Finance] Steering Group and one Credit Committee, we can tell you soon after that. I do not know how many there are going to be. If there are only one or two then it will not be that long afterwards, but if we have many of them we will not be able to review them all in one go and we will have to work out how we are going to prioritise them. We will let you know as we go through, and those decisions are being made.

Andrew Boff AM: We will be able to see the number of applicants, not the names of the applicants necessarily because I suppose some of the applicants would want to remain confidential if they are not successful. However, we will see the number of applicants, how many were invalid, how many failed to persuade Kenroy, and then how many were successful?

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): Yes, that is reasonable.

Andrew Boff AM: We will see that in a tabular form with the data?

Enver Enver (Acting Chief Finance Officer and Assistant Director, Group Finance and Performance, Greater London Authority): We can make that available.

Andrew Boff AM: Thank you. Thank you very much.

Emma Best AM (Chairman): Thank you. I think it looks like everybody is done, so that just leaves saying thank you to Catherine, Enver and Kenroy.

Catherine Barber (Assistant Director, Environment and Energy, Greater London Authority): Thank you. I was just reflecting on a few of the questions we have been asked and thinking that perhaps we have replied quite literally, but sometimes it is helpful to bear in mind the spirit of what we are being asked.

I think Assembly Member Bokhari asked us about how you could influence or have sight of what the Credit Committee decisions are and say whether you approve or not, really. I think the place to look is at the mission, the aims and the objectives of the Green Finance Programme. Take a look at those, and if you think that those are wrong, let us know and we will discuss it with our [Green Finance] Steering Committee. Similarly, the draft Green Finance Framework, for which we are getting an SPO, but it is not yet final. Again, if you have any comments on that, we would be happy to have them.

I wanted to correct something that I said to Assembly Member Fortune about - if a project goes wrong for any reason, whose responsibility it is to then withdraw it from the programme. It is actually the Credit Committee. I have gone back and checked the terms of reference. I think I said the Steering Committee. Just to correct that for the minutes.

Then finally, what we have not talked about today is future funds. We have talked a lot about the debt financing, which would be us borrowing and then on-lending through the Green Finance Fund. We are starting to think about how we could do co-investment, attracting in private investors alongside GLA finance in the same way that the MEEF has done over the last few years. That is still running this year and it runs into 2024, but we are starting to think about what will replace MEEF. We do not yet have announcements to share on that but if you are thinking what you would like to ask us about next time, in a few months' time, that would be a good subject to return to. Thank you.

Emma Best AM (Chairman): Thank you. I actually meant to ask you what we should be asking about next year. Where would we be? Thanks for pre-empting. I will let you leave, have a good evening.