

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3501

Clean and Affordable Community Energy

Programme: Reducing non-residential emissions

Executive summary:

Community energy enables Londoners to cut bills, boost energy security, and keep profits local. The Mayor's London Community Energy Fund (LCEF) aims to help London achieve net zero-carbon by 2030, by empowering community-led organisations to take charge of, develop and implement clean-energy projects.

Community energy plays a key role in accelerating progress towards net zero, whilst strengthening diverse communities' involvement in a just transition. The LCEF programme also contributes to achieving the objectives of the Mayor's Reducing Non-Residential Emissions delivery plan. This Mayoral Decision seeks approval to spend up to £1.5 million on delivering a ninth round of LCEF.

Decision:

That the Mayor:

- approves spending up to £1.5 million on the community energy programme; and delivering a ninth round of the Mayor's London Community Energy Fund (LCEF 9) across 2026-27 and 2027-28
- delegates authority to the Assistant Director, Environment and Energy, to approve receiving and spending any additional funding from central government, or other sources, to expand the LCEF 9 programme – provided the programme parameters remain the same or broadly similar, and after consulting with the GLA's legal advisers and the Chief Finance Officer, and subsequent agreement from the Mayoral Delivery Board
- delegates authority to the Assistant Director of Environment and Energy, in consultation with the Deputy Mayor for Environment and Energy, to approve:
 - LCEF 9 funding allocations
 - the procurement of either an internal or an external grant management service provider, subject to best value and operational effectiveness, to manage LCEF applications, claims and payment processes
 - the procurement of a Greener Schools Advisory Service partner, to maximise the opportunities and benefits of community energy projects in schools – building on the success of the Mayor's Greener Schools pilot.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

27/6/20

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. Community energy is locally owned or governed energy generation that keeps power, profits and decision-making in communities’ hands. It plays an important role in accelerating progress towards net zero, whilst strengthening diverse communities’ involvement in a just energy transition.
- 1.2. Community energy gives Londoners control over the city’s power generation – cutting bills, boosting energy security, and keeping profits local. It is a practical way for Londoners to have a stake in their own power, build resilience, and shape a fairer energy future. It does so by giving communities real ownership over generation, decision-making, and the benefits of the energy system.
- 1.3. There is now significant national momentum behind community energy, with Great British Energy’s (GBE’s) Local Power Plan (LPP) expected to play a key role in scaling locally owned and delivered projects as part of the wider clean energy transition. This signals a step change in ambition – to community energy becoming a core component of the UK’s energy system. This growing focus is likely to unlock new funding and delivery opportunities for local authorities, meaning they will need to be ready to scale programmes, build delivery capacity, and respond quickly to emerging funding and partnership models.
- 1.4. The Mayor’s London Community Energy Fund (LCEF) builds on its eight-year track record of enabling projects and funding for community energy groups across London. To date, LCEF has offered £2.5 million to 194 projects across 65 community organisations. This has supported the installation of 3.6-megawatt peak (MWp) of community-owned solar photovoltaic (PV) cells and other net-zero technologies, leading to an estimated lifetime saving of 9,900 tonnes of CO₂e. It aligns with the national government’s recognition of the importance of community energy – outlined in GBE’s LPP (published in February 2026), backed by up to £1 billion of investment nationally.
- 1.5. Mayoral support also builds the credibility of community energy by providing validation that projects are well governed, technically robust and able to deliver. Mayoral funding helps community energy groups move from volunteer-led ideas to professionally delivered projects – showing boroughs, asset owners, investors and partners that community-owned schemes can meet the same standards as commercial developments. This builds a pipeline of projects: strengthening confidence in the sector as a reliable delivery partner and reducing perceived risk. It also normalises community ownership as a credible and scalable model within London’s energy system.
- 1.6. As part of this ninth round of funding, LCEF will embed the successes of the Greener Schools Pilot project (2024-26). This pilot project identified the schools-specific requirements for energy efficiency and renewable energy funding. These learnings will be brought into LCEF, which already has a large number of applications from schools. Critically, it will embed the advisory and training support from a Greener Schools Advisory Service partner on whole-systems energy-saving options; this support, in the pilot project, enabled engagement, buy-in, and energy-saving behaviour change from schools.
- 1.7. The requested funds, of up to £1.5 million, are indicatively proposed to be split across the following project elements (subject to some change as the work progresses) within the overall funding allocation approved:

Activities	Cost
Grant payments (development funds, feasibility and capital delivery)	£1,300,000

Grant administration	£100,000
Greener Schools Advisory Service	£100,000
Total	£1,500,000

- 1.8. Based on previous funding levels, LCEF 9 could be expected to support up to 56 projects with grant payments (feasibility and capital delivery). It is proposed that, to maximise deliverability for recipients, especially schools who form a large cohort of recipients and who have seasonal ability to undertake capital works, that the payments are structured so that approximately 70 per cent is paid up front in 2026-27. The final amount of approximately 30 per cent of payments will be issued on project completion in 2027-28, using budget from financial year 2027-28, subject to the annual budget setting process.

Driving delivery

- 1.9. There is strong appetite for community energy funding. In 2025-26, LCEF 8 offered £630,000 of grant funding; but received applications with a combined grant request of £2.2 million. There are many strong applications that missed out on receiving funding in LCEF 8, but will be able to mobilise quickly to deliver, if additional funding is made available.
- 1.10. The proposed three core elements of LCEF 9 are feasibility, delivery, and development fund grants, as set out below. These grants, totalling up to £1.3 million, will increase London's readiness to take advantage of potential funding available through the LPP:
- feasibility – grants up to £10,000 covering feasibility studies, business case development, fundraising, engagement planning application submissions and full technical project design
 - delivery – grants up to £60,000 (for up to one-third of capital costs), covering installation of carbon-reduction technologies
 - development fund – easily accessible micro-grants of up to £3,000 for community organisations' external development costs. See more information in paragraphs 1.11 and 1.17.
- 1.11. Previously, there were three funding streams for LCEF. One of these has become the Development Fund cited at paragraph 1.17, below.
- 1.12. Feasibility grants play a crucial role in supporting early-stage development, particularly for emerging community energy groups. They help such groups identify viable projects that can progress to later development and delivery stages. This funding stream plays an important role in the long-term pipeline of deliverable community energy projects.
- 1.13. Grant funding for capital delivery provides critical support for organisations that have restricted funds and cannot easily access affordable credit to cover the upfront capital costs of energy installations. The GLA's role in distributing capital funding ensures ongoing delivery of community-owned renewable energy assets by reducing the upfront capital barrier, turning otherwise unviable projects into investable ones with big community impact.
- 1.14. With a total budget of £1.5 million in 2026-27, the programme is expected to provide up to 56 grants across both the feasibility and delivery streams. This could support the delivery of between 1 and 1.5 MWp of community-owned solar PV: enough energy to power up to 500 homes per year. Some organisations may apply solely for feasibility funding (without requiring GLA capital for project delivery), to support additional installed capacity.
- 1.15. LCEF's assessment criteria explicitly prioritise organisations that can show communities are genuinely engaged, and at the centre of decision-making and ownership. Additional emphasis is placed on how projects share financial returns locally; build local skills and leadership; and empower under-

represented communities. By doing so, the funding process itself reinforces what distinguishes community energy from other delivery models: local control, shared benefits and long-term community stewardship of energy assets.

- 1.16. In addition to these two core elements, LCEF 9 will introduce a new funding opportunity for community organisations: the Development Fund.
- 1.17. The Development Fund will provide easily accessible micro-grants of up to £3,000 for community organisations' external development costs. This funding will be available on an ongoing basis. External development costs include grid connection fees; legal costs for lease agreements; and planning application submissions. Funding for these activities was available in previous LCEF rounds, but only during application windows.
- 1.18. With this change to a longer application window, projects that do not require capital grant funding from the GLA can access the small amount of funding needed for activities, which takes a project from development to delivery. This will enable groups to respond more quickly to opportunities coming through the LPP and other funding sources (such as community share offers or alternative grant funds).

Dedicated support for schools

- 1.19. The 'Greener Schools Advisory Service' will build on the success of the Greener Schools pilot, which was delivered in 2025-26. Schools have historically made up around 48 per cent of LCEF applications. This support will offer schools advisory and training support from a strategic partner on whole-systems energy saving options – including overheating adaptation and energy-efficiency behaviour-change training.
- 1.20. This support package has an indicative budget of £100,000. The outcomes of the Greener Schools pilot have demonstrated the importance of this type of advisory support, and the installation of decarbonisation measures, to ensure projects are impactful in the long term.

Catalysing future delivery

- 1.21. As with LCEF 8, community energy organisations that demonstrate a clear intention to undertake further community energy projects can claim up to 25 per cent of their grant as core funding – i.e., a 'capacity building element'. This may be used to cover core business costs, and support capacity building in the community energy sector, helping to build a pipeline of future projects. This mechanism has allowed the GLA to provide an indicative amount of £56,000 to community energy groups for core costs through LCEF 8.
- 1.22. We anticipate that the LPP will influence how community energy projects are supported across the country. The GLA has signed a Memorandum of Understanding (MOU) with GBE to share details of London's community energy pipeline. The MOU sets out an intention for GBE to support combined authorities in deploying clean energy across their areas; and outlines shared goals and the framework through which GBE and partners will collaborate. This ensures the GLA is well positioned to respond to opportunities to deliver the LPP; and catalyse future delivery in London.

Administering the fund

- 1.23. Applications for feasibility and delivery grants will be assessed by an independent panel. The assessment results will be shared with the Assistant Director of Environment and Energy, who will make decisions on the award of any LCEF grant funding in consultation with the Deputy Mayor for Environment and Energy. In keeping with previous LCEF funding rounds, a prospectus will be produced that sets out the criteria for funding applications. On signing a grant funding agreement, 70 per cent of the feasibility and delivery grant funding will be issued to successful applicants with the final 30 per cent on project completion.

- 1.24. An indicative budget of £100,000 will fund the running costs (i.e., grant administration) for LCEF 9. This will ensure that funding is disbursed in accordance with the outcomes set out in the grant agreements with recipient organisations.
- 1.25. This Mayoral Decision (MD) seeks approval to:
- deliver the ninth round of the LCEF (LCEF9)
 - spend up to £1.5 million to support community energy, as detailed above.
- 1.26. It is included in the Reducing Non-Residential Emissions (RNRE) programme's delivery plan as approved through MD3397.

2. Objectives and expected outcomes

- 2.1. Supporting community energy will contribute to the Mayor's ambition for London to be net zero by 2030. The objective of the LCEF is to give every Londoner a stake in their energy system, by enabling community energy groups to plan and deliver net-zero projects.
- 2.2. This will be delivered in a manner that supports the reduction of fuel poverty; promotes equity; and ensures as many communities as possible across London share the benefits.
- 2.3. The outcomes of this work will be as follows:
- driving delivery: increasing the amount of renewable energy produced, and bills cut, through community energy projects delivered across London in a fair and equitable manner
 - catalysing future delivery: community energy organisations have the capacity to scale the delivery of further community energy projects, including through GBE's LPP
 - building credibility: community energy is publicly regarded as a central, credible solution for unlocking decarbonisation projects, and supporting resilience against high energy costs.
- 2.4. This work will contribute to the following outcomes set out in the RNRE delivery plan:
- reducing emissions from London's buildings
 - supporting a flexible, low-carbon energy system
 - enabling the financing of the transition
 - leading by example and connecting Londoners with our net-zero ambition.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, the Mayor and the GLA are subject to the public sector equality duty, and must have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation
 - advance equality of opportunity between people who share a relevant protected characteristic and those who do not
 - foster good relations between people who share a relevant protected characteristic and those who do not.

- 3.2. The “protected characteristics” are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage/civil partnership status. The duty involves having appropriate regard to these matters as they apply in the circumstances, including having regard to the need to: remove or minimise any disadvantage suffered by those who share or are connected to a protected characteristic; taking steps to meet the different needs of such people; and encouraging them to participate in public life or in any other activity where their participation is disproportionately low. This can involve treating people with a protected characteristic more favourably than those without one.
- 3.3. LCEF 9 will apply the GLA’s Energy & Environment Equalities Toolkit to ensure that the scoring criteria consider diversity, equality and inclusion. Part of the LCEF application form will require the applicant organisation to describe:
- how their proposed actions would reflect the aims of the Equality Act 2010
 - how the project would be accessible to community members
 - how they intend to use the funding openly and equitably, and how this would be monitored.
- 3.4. Community energy projects often seek to directly support members of the community impacted by the cost-of-living crisis and continued structural inequalities. Groups in receipt of funding will need to demonstrate how their works benefits their communities. This may include:
- using revenue generated to alleviate fuel poverty
 - seeking to supply local buildings with cheaper electricity; this could mean lower energy bills for its occupants, who may not be able to afford solar panels
 - allowing members of the local community to own a share of the project and benefit from any return on investment rather than only financial institutions benefiting.
- 3.5. Community energy projects funded by the LCEF are prioritised in areas of London where investment in local infrastructure and energy resilience can have the greatest social benefit. Organisations accessing the LCEF, such as community benefit societies, companies limited by guarantee and cooperatives, ensure that a significant proportion of their profits are used to benefit the entire community, not just members and shareholders. LCEF funding is therefore likely to significantly benefit low-income Londoners and those from disadvantaged backgrounds. Grantees will report on the equality, diversity and inclusion impacts of their project when applying, and on completion.
- 3.6. The LCEF will enable community groups to bring awareness of renewable energy and energy-bill savings to groups who would normally lack access to such technology. These groups include pupils in schools; members of varied faith groups; local resident association members; leisure centre users; city farm visitors; and art centre visitors, among others. Previous rounds of LCEF have demonstrated that these projects can reach a significantly broader cross-section of Londoners than is typical for small to medium-sized solar panel installations in the UK (which have historically been adopted primarily by relatively affluent owner-occupiers).

4. Other considerations

Risks and issues

- 4.1. The following programme-level risks relating to the delivery of the LCEF have been identified:

Risk description	Probability	Impact	RAG rating	Mitigation/response
The programme does not deliver the required outcomes.	Low	Medium	Amber	The GLA team will meet regularly with grantees to ensure that issues are raised in a timely manner. Programme outputs and outcomes will be tracked against agreed milestones. Where delivery risks are identified, appropriate mitigating actions will be taken. Evidence and lessons learnt from previous rounds of the LCEF will inform ongoing programme delivery.
Insufficient applicants to the grant programme.	Low	High	Amber	Previous and ongoing engagement with the sector has indicated a strong appetite for funding. A communications and engagement plan will be developed in consultation with the Community Energy Taskforce, to promote the funding opportunity and maximise awareness among potential applicants.
Grant monies are not used appropriately.	Low	High	Amber	Clear funding criteria will be set out at the launch of the programme. Sufficient time and resource will be allocated to develop detailed funding agreements, including agreed milestones with each grantee prior to the release of any funds. Payments will be conditional on the evidenced achievement of milestones, ensuring appropriate use of public funds. A mechanism will also be put in place to recall funds, if we identify misuse. Funds and their review will be aligned with our Anti-Fraud and Corruption Policy and Response Plan.

Links to Mayoral strategies and priorities

- 4.2. Delivering the LCEF programme is key to achieving the RNRE programme's goals, as per MD3397.
- 4.3. The programmes funded through this MD will help achieve several relevant London Environment Strategy policy proposals, including the following:
- Proposal 10.1.2.a: To support start-ups and business growth across the economy, including in the low-carbon and environmental goods and services sector.
 - Proposal 6.1.2.a: The Mayor will work with partners to help alleviate fuel poverty in London through implementing the recommendations of the Fuel Poverty Action Plan.
 - Proposal 6.1.1b: Pilot innovative methods to implement the stronger energy-efficiency retrofitting needed.
 - Proposal 6.1.1a: Contribute to helping Londoners improve the energy-efficiency of their homes, where appropriate, by providing technical assistance, support, and funding.

- Proposal 6.2.1: Develop more decentralised energy in London.
- Proposal 6.2.1b: Increase the amount of solar generation in London, including through community projects and on GLA group buildings.

4.4. The relevant Equality, Diversity and Inclusion Strategy objectives supported by this programme is objective 4:

“To improve Londoners’ air quality and access to green space, and lower the city’s carbon emissions, so that inequalities in exposure to harmful pollution and climate risks are reduced.”

Consultations and impact assessments

4.5. Officers have held regular meetings with Community Energy London, a membership organisation for community energy groups in London; and have attended Community Energy Taskforce meetings. Through phase 1 of the Community Energy Taskforce, the GLA engaged with community groups (including applicants to previous phases) to understand:

- how to support equality, diversity and inclusion in the community energy sector
- scope of technologies and projects deemed to be suitable
- other support required by community energy groups to expand.

Conflicts of interest

4.6. There are no conflicts of interest to note of anyone involved in the drafting or clearance of this MD.

5. Financial comments

- 5.1. Approval is sought to spend up to £1.5 million from the GLA’s community energy allocation budget – approved as part of the GLA’s 2026-27 budget-setting process, with the budget held and managed by the Environment and Energy unit, specifically within the Reducing Non-Renewable Emissions Programme and Project 2.1 Delivering Another Round of the London Community Energy Fund.
- 5.2. Funding for organisations will be provided through a grant management arrangement, which may involve either an external organisation or an internal delivery mechanism. Grant money will be transferred to the grant-management organisation in 2026-27. Successful applicants and the Greener Schools Advisory Service partner support will receive approximately 70 per cent of the funding upon signing the funding agreement in 2026-27 and the final of approximately 30 per cent will be received on project completion in 2027-28. Any additional funding secured for the programme will be used to enhance the programme with the appropriate budget adjustments being made. Future year’s budgets will be subject to the annual budget setting process.

6. Legal comments

- 6.1. Under section 30(1) of the Greater London Authority Act 1999 (the GLA Act), the GLA has the power to do anything that it considers will further any one or more of its principal purposes, which are:
- promoting economic development and wealth creation in Greater London
 - promoting social development in Greater London
 - promoting the improvement of the environment in Greater London.

- 6.2. In deciding whether or how to exercise the general powers, section 30 (4) of the GLA Act requires the GLA to have regard to the effect that the proposed exercise of the power would have on:
- the health of persons in Greater London
 - health inequalities between persons living in Greater London
 - the achievement of sustainable development in the UK
 - climate change, and the consequences of climate change.
- 6.3. In taking the decisions requested the Mayor must have due regard to the Public Sector Equality Duty contained in section 149 of the Equality Act 2010. To this end, the Mayor should have particular regard to section 3 (above) of this report.
- 6.4. Any function exercisable by the Mayor on behalf of the GLA may also be exercised by an officer of the GLA, albeit subject to any conditions that the Mayor sees fit to impose. To this end, the Mayor may make the requested delegations to the Assistant Director, Environment and Energy.
- 6.5. If the Mayor makes the decisions sought officers must ensure that:
- no reliance is placed on, nor commitments made in reliance of, any additional (third-party or otherwise) funding until and unless binding legal commitments have been secured from such funders, and the GLA is satisfied that it meet any conditions to which the grant of such funding is subject
 - the award of grant funding proposed is made fairly, transparently and in accordance with the GLA's equalities requirements and the requirements of the GLA's Contracts and Funding Code, and funding agreements are put in place between and executed by the GLA and recipients before any commitment to fund is made
 - the services required are procured in liaison with TfL Procurement, in accordance with the Contracts and Funding Code; and appropriate contract documentation is put in place between and executed by the GLA and contractors before commencement of those services.

7. Planned delivery approach and next steps

7.1. Timetable for LCEF delivery is set out below:

Activity	Timeline
LCEF 9 announcement	June/early July 2026
Fund prospectus and application form published	June/early July 2026
Application window open – support given to projects bidding for funding	July– September 2026
Funding scoring and moderation	October 2026
Recommendations for funding and due diligence	October 2026
Inform applicants of scoring outcomes	November 2026
Funding agreements signed with successful applicants	December 2026
Payment of first tranche of funding (70 per cent)	January 2027
Project delivery	January 2027 – September 2027

Activity	Timeline
All projects delivered and final claims received (30 per cent)	September 2027

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after it has been approved or on the defer date.

Strategic Programmes

Does this decision seek approval for activity falling within the remit of a programme delivery plan? YES

If YES, which programme/s does this fall within: Reducing non-residential emissions

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Phoebe Lewis has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Philip Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Mete Coban has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

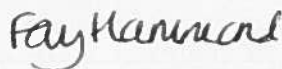
Mayoral Delivery Board

This decision was agreed by the Mayoral Delivery Board on 15 June 2026.

CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature



Date 17 June 2026

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor.

Signature



Date 15 June 2026

