

Climate Budget and Green Financing

A plant growing in harsh conditions

Key information

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Introduction

On the 19 March, the London Assembly Budget and Performance Committee is investigating the progress towards Mayor's 2030 net zero target for London achieved since the implementation of the GLA's Climate Budgeting initiative in 2022 across the GLA Group, and what steps are required to progress further in expanding the scope of climate budgeting.

Investigation aims and objectives (Terms of Reference)

The investigation will seek to examine the impact of the Mayor's Climate Budget and green finance funding, since the Budget and Performance Committee's last meeting on the topic in September 2023. This will include a focus on the 2025-26 Climate Budget submissions. The investigation will look to:

- Evaluate the progress towards Mayor's 2030 net zero target for London achieved since the implementation of the GLA's Climate Budgeting initiative in 2022 across the GLA Group, and what steps are required to progress further in expanding the scope of climate budgeting.
- Assess the value for money of climate initiatives and look at why projects have been prioritised.
- Examine the operational rollout of the Climate Budget, including challenges and obstacles faced, with a focus on supply chain development.
- Assess the impacts of the Mayor's Green Finance Fund launched in June 2023 and reported in the annual allocation and impact report for 2023-24.

- Understand the total spend on projects and programmes to meet the Mayor's commitments to meet a net zero target by 2030.

Key issues

In 2022, the Mayor declared a climate emergency for London and has brought forward the target for the city to reach net zero by 20 years to 2030. Achieving the Mayor's 2030 net zero goal will require significant investment in infrastructure, estimated at £75 billion by 2030 and rising up to £108 billion by 2050. This, according to the Mayor, will need to come from a mix of public and private finance, investment and grant funding.

The Mayor's preferred 'Accelerated Green' pathway was published in 2022. It requires a significant acceleration in action across the city, achieving by 2030:

- Over 2 million homes and a quarter of a million non-domestic buildings to be properly insulated.
- 2.2 million heat pumps in operation in London.
- 460,000 buildings connected to district heating networks.
- A 27 per cent reduction in car vehicle km travelled.
- Fossil fuel car and van sales ended and enforced in line with Government's existing commitments.

Key questions

- What measurable progress has been achieved across the GLA Group since the implementation of the Climate Budgeting initiative in 2022, including monetary savings and tCO2e reductions?
- How is value for money of climate initiatives assessed within the GLA Group and what criteria are used to prioritise projects for funding?
- What specific challenges and obstacles has the GLA faced during the operational rollout of the Climate Budget, particularly in relation to supply chain development, and how have these been addressed?
- What are the key achievements of the Mayor's Green Finance Fund since its launch in June 2023, and how has it contributed to the overall goals of the Mayor's climate goals?
- Are projects contributing to net zero running to their expected timeframes and budgets? Where are the areas of highest risk?

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