

MDA No.: 1770

Title: Climate Finance

1. Executive Summary

- 1.1 At the Environment Committee meeting on 17 September 2025 the Committee resolved that:
- Authority be delegated to the Chair, in consultation with the party Group Lead Members, to agree any output from the discussion.*
- 1.2 Following consultation with party Group Lead Members, the Chair agreed the Committee's letter on Climate Finance for London, as attached at **Appendix 1**.

2. Decision

- 2.1 **That the Chair, in consultation with the party Group Lead Members, agrees the letter on Climate Finance for London, as attached at Appendix 1.**

Assembly Member

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:



Printed Name: Léonie Cooper, Chair of the Environment Committee

Date: 31 October 2025

3. Decision by an Assembly Member under Delegated Authority

Background and proposed next steps:

- 3.1 The terms of reference for this investigation were agreed by the Chair, in consultation with relevant party Lead Group Members and Deputy Chairs, on 1 August 2025 under the standing authority granted to Chairs of Committees and Sub-Committees. Officers confirm that the letter and its recommendations fall within these terms of reference.
- 3.2 The exercise of delegated authority approving the letter on Climate Finance for London will be formally noted at the Environment Committee's next appropriate meeting.

Confirmation that appropriate delegated authority exists for this decision:

Signature (Committee Services): *Sal Fazal*

Printed Name: Sal Fazal

Date: 27 October 2025

Financial Implications: NOT REQUIRED

Note: Finance comments and signature are required only where there are financial implications arising or the potential for financial implications.

Signature (Finance): Not Required

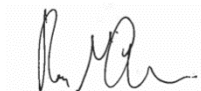
Printed Name:

Date:

Legal Implications:

The Chair of Environment Committee has the power to make the decision set out in this report.

Signature (Legal):



Printed Name: Rory McKenna, Monitoring Officer

Date: 31 October 2025

Email: rory.mckenna@london.gov.uk

Supporting Detail / List of Consultees:

- Thomas Turrell AM;
- Zack Polanski AM; and
- Gareth Roberts AM.

4. Public Access to Information

- 4.1 Information in this form (Part 1) is subject to the FoIA, or the EIR and will be made available on the GLA Website, usually within one working day of approval.
- 4.2 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.
- 4.3 **Note:** this form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral:

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

If yes, until what date:

Part 2 – Sensitive Information:

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

Is there a part 2 form? NO

Lead Officer / Author

Signature: *Richard Clarke*

Printed Name: Richard Clarke

Job Title: Senior Policy Adviser

Date: 31 October 2025

Countersigned by Executive Director:

Signature: *Helen Ewen*

Printed Name: Helen Ewen, Executive Director of Assembly Secretariat

Date: 31 October 2025

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Léonie Cooper AM
Chair of the Environment Committee

Sir Sadiq Khan
Mayor of London
Greater London Authority
(Sent by email)

3 November 2025

Dear Sadiq,

Re: Climate finance for London

As you have recognised, we are living in a climate emergency.¹ We acknowledge your ongoing commitments in this area. London's target to reach net zero by 2030 is 20 years ahead of the rest of the country. This is an important marker of our city's ambitions and the work done to reach them.

Commissioning and publishing the London Climate Resilience Review was an important step.² This is a thorough review of London's resilience providing clear reference points for where adaptation, mitigation and carbon reduction measures are needed. So too is the work initiated by the GLA to help mobilise the investment needed for this transition to cut emissions, including establishing the Green Finance Fund in July 2023 and announcing the London EDGE Fund in December 2023.³

However, we are concerned about the scale of finance needed and the current pace of transformation. With London not yet on track to achieve its 2030 target to reduce emissions,⁴ there is a need to be clear about the current trajectory and what actions will be taken to accelerate action. Key to this will be finding new ways to finance the transition to a low carbon, more climate resilient city.

¹ The Guardian [London mayor unveils plan to tackle 'climate emergency'](#) 11 December 2018 [accessed 1 October 2025],

² GLA, [The London Climate Resilience Review](#)

³ GLA, [The Green Finance Fund](#) [accessed 1 October 2025]; GLA [The London Energy Efficiency and Decentralised Generation Fund \(EDGE Fund\)](#) [accessed 1 October 2025]; GLA, [Mayor announces new £100 million fund to accelerate London-wide decarbonisation, in partnership with leading UK investor](#). 2 December 2023 [accessed 31 October 2025]

The London EDGE fund (hereafter 'EDGE fund') was opened to applicants in June 2024

⁴ London Assembly Environment Committee, [Involving Londoners in the pathway to net zero by 2030](#), May 2025, p.13

1. Climate finance funding gap

You have previously highlighted that your preferred pathway for achieving net zero by 2030 requires around £75 billion of investment.⁵ Despite the sizeable £1.1 billion you have mobilised and made available through the London Climate Finance Facility,⁶ this is less than 1.5 per cent of the total required, and still leaves a large amount that must be mobilised through other finance sources. When speaking to the Environment Committee, your officers also noted that the GLA does not hold figures on how much private finance has been mobilised since the initial assessment, and therefore does not know how large that gap now is.⁷

With less than five years to 2030, increasing climate finance rapidly and at scale must be a priority. We observed that the number of projects funded by the Green Finance Fund and EDGE Fund do not appear to be increasing at the rates that London requires. Three projects were approved by the Green Finance Fund in 2024-25,⁸ and while there are a number of projects in development for the EDGE Fund in 2024-25, Jonathan Maxwell, Chief Executive of Sustainable Development Capital LLP, was not yet able to share details of any confirmed schemes with us.⁹ However, we were told, and welcome, that there are a significant number of projects in the pipeline, and more that have completed expressions of interest.¹⁰

We also welcome the support of the National Wealth Fund, which has so far provided £148 million to finance projects in London.¹¹ Working closely with national government initiatives is crucial for scaling up overall finance for London.

2. Climate Finance Taskforce

In June 2025, you announced plans to establish a Climate Finance Taskforce. Given the need to accelerate action, this is an important initiative, and we welcome the announcement that the head of the Green Finance Institute, Dr Rhian-Mari Thomas OBE, has agreed to be Chair.

At the time of the announcement, it was stated that the taskforce “*will complete its work by early 2026...membership will be finalised in the coming weeks*”, with the taskforce expected to “*meet monthly*”.¹² However, we are concerned by the delay in establishing the taskforce. We were told in September that membership of the taskforce had yet to be finalised, and the first meeting was not expected until November.¹³ London’s net zero and resilience ambitions require a change in pace, and there is no time to lose.

⁵ GLA, [London Net Zero 2030: An Updated Pathway](#), January 2022, p.19

⁶ GLA, [MQ2025/1141](#), 2 April 2025; London Assembly Environment Committee, [Panel Two Meeting Transcript 17 September 2025](#), p.1

⁷ London Assembly Environment Committee, [Panel Two Meeting Transcript 17 September 2025](#), p.1

⁸ London Assembly Environment Committee, [Panel Two Meeting Transcript 17 September 2025](#), p.4-5

⁹ London Assembly Environment Committee, [Panel Two Meeting Transcript 17 September 2025](#), p.10-11

¹⁰ London Assembly Environment Committee, [Panel Two Meeting Transcript 17 September 2025](#), p.4

¹¹ London Assembly Environment Committee, [Panel Two Meeting Transcript 17 September 2025](#), p.3

¹² GLA, [Mayor announces new investment and taskforce to help London hit 2030 net zero goal](#), 25 June 2025 [accessed September 2025]

¹³ London Assembly Environment Committee, [Panel Two Meeting Transcript 17 September 2025](#), p.13

Recommendation 1: The GLA should publish details online about the Climate Finance Taskforce’s membership and meetings as soon as these are confirmed. It should update the Committee on progress made in December 2025 and March 2026.

There is also a need to reflect on experiences of supporting climate finance so far. We heard that a potential evaluation of the Mayor of London’s Energy Efficiency Fund (MEEF) and London Climate Finance Facility was ultimately not pursued due to cost and timing concerns, as well as the complexity of evaluating long-term funds whose impacts may take years to fully materialise.¹⁴ While these challenges are understandable, we believe it remains important to find ways to draw on learning from these schemes. We hope that the Climate Finance Taskforce will have scope to draw on learning from what has worked and what more is needed.

We also heard of some initial difficulties accessing the Green Finance Fund. Emily Hickson, former Deputy Cabinet Member for Green Finance at Southwark Council, highlighted issues with restrictive eligibility, the attractiveness of lending rates offered, and a lack of clarity about how projects could be combined. The Committee welcomes recent changes to make funding more accessible and attractive, which means some of the issues have begun to be addressed.¹⁵

Recommendation 2: The GLA, with input from the Climate Finance Taskforce, should publish a lessons learned summary from existing and former GLA green finance funds, with recommendations for how to expand private finance in future.

Emily Hickson told us about the importance of creating ‘capital stacks’ and using public funding to de-risk private finance in decarbonisation projects, which can be replicated in future.¹⁶ Kenroy Quellennec-Reid, Deputy Director, Impact Investment, London Treasury Limited, told us that informal assessments and internal discussions with fund managers have provided some insights, including around how to “blend private and public finance to deliver projects.”¹⁷ We would appreciate more detail on the barriers observed to date on mobilising joint private / public financing and on any engagement with government to help ease some of these challenges.

Recommendation 3: The GLA, with advice from the Climate Finance Taskforce, should explore challenges around mobilising joint private / public financing and work with government to unlock barriers.

Guests also told us of the opportunities that come from aggregating projects. Jonathan Maxwell explained that “if you can roll out single interventions across multiple sites, then that could be a great way of getting things done in complex environments”.¹⁸ These types of projects are often less attractive to investors due to their size and complexity, despite their importance to achieving net zero and resilience goals. Aggregating interventions across multiple sites could help overcome this barrier by creating larger, more investable opportunities. We believe this should be a priority area for the GLA to support.

Recommendation 4: The GLA should explore the opportunity to further aggregate interventions across multiple sites to make small-scale financing opportunities more attractive to private investors.

¹⁴ London Assembly Environment Committee, [Panel Two Meeting Transcript 17 September 2025](#), p.6-7

¹⁵ London Assembly Environment Committee, [Panel One Meeting Transcript 17 September 2025](#), p.11

¹⁶ London Assembly Environment Committee, [Panel One Meeting Transcript 17 September 2025](#), p.16; p.18

¹⁷ London Assembly Environment Committee, [Panel Two Meeting Transcript 17 September 2025](#), p.5

¹⁸ London Assembly Environment Committee, [Panel Two Meeting Transcript 17 September 2025](#), p.9

3. Unlocking finance for climate resilience

A particular focus must be finance for adaptation. We heard from Emma Howard Boyd CBE, former Chair of the Environment Agency and the London Climate Resilience Review, that there is a need for *“far greater urgency placed on the climate resilience aspects of climate investment.”*¹⁹

The Committee heard from Dan Bicknell, Head of Climate Adaptation at the GLA, that there is also a *“large funding gap”* for adaptation finance, which is currently *“overwhelmingly”* funded by the public sector.²⁰ We heard in the meeting that there is a need to work on the financing models to find ways of increasing private sector investments through new models and blended finance.²¹ This should be part of the work of the taskforce to develop recommendations in this area. As Emma Howard Boyd told us, *“if we are not embedding climate resilience in right from the start, we are just locking in climate vulnerability for decades to come, and that could ultimately undermine the investments that we are making.”*²²

Recommendation 5: The Climate Finance Taskforce should develop recommendations for the GLA on potential models for mobilising finance for climate resilience.

The Committee would welcome a response to this letter by Friday 19 December. Please send your response by email to the Committee’s Clerk, Saleha Fazal (Saleha.Fazal@london.gov.uk).

Yours,



Léonie Cooper AM
Chair of the Environment Committee

¹⁹ London Assembly Environment Committee, [Panel One Meeting Transcript 17 September 2025](#), p.3

²⁰ London Assembly Environment Committee, [Panel Two Meeting Transcript 17 September 2025](#), p.1

²¹ London Assembly Environment Committee, [Panel One Meeting Transcript 17 September 2025](#), p.10

²² London Assembly Environment Committee, [Panel One Meeting Transcript 17 September 2025](#) p.1