

Mayor launches new £500m fund to support net zero by 2030

3 years ago



The Mayor of London, Sadiq Khan has announced a new £500m fund to help organisations achieve net zero by 2030. The Green Finance Fund will support projects delivering benefits in either energy efficiency, clean transport or renewable energy and is open to organisations in the GLA Group, any of London's 32 local authorities, social housing providers, NHS bodies, universities and colleges.

Organisations can bid for loans of £1m to £75m, with flexible loan terms and lower interest rates than the Government's Public Works Loan Board public sector lending scheme. The funds can be used for capital expenditure, with projects that will be operational within the next three years being prioritised.

One of the first projects to benefit from Green Finance Funding is the London Stadium in Queen Elizabeth Olympic Park, where the London Legacy Development Corporation (LLDC) has secured funding to install solar panel membranes on the roof of the stadium. This project is expected to generate approximately 10 per cent of the stadium's current electricity usage and is forecast to save 270 tonnes of carbon dioxide emissions per annum, the equivalent of making 70 homes carbon neutral.

The Mayor has also agreed to make up to £34.2 million from the fund available for Transport for London (TfL) to finance various projects in the next three years. These include new LED lights at Underground stations, replacement LED streetlights, new solar panels at Tube depots and energy efficient improvements to TfL buildings across the city. These projects are estimated to save at least 8,900 equivalent tonnes of carbon dioxide each year.

The Green Finance Fund was one of the recommendations from the Green Finance Institute (GFI) report *Mobilising Capital at Scale for Net-Zero Projects*. Following recommendations made by the London

Sustainable Development Commission (LSDC) in their 'Financing for a Future London' report in 2020, the Mayor commissioned the GFI to advise on the best way to structure a fund to support partner organisations. City Hall worked closely with the GFI as well as London Councils and 3Ci.

The Green Finance Fund is just one of the many ways the Mayor is enabling organisations and businesses to move towards green forms of energy and clean transportation. Sadiq is also providing up to £5m to extend his flagship Low Carbon Accelerator programmes until March 2024. Since 2016 they have helped organisations to upgrade thousands of buildings, leveraging more than £200m in investment, with a projected saving of around 50,000 tonnes of carbon emissions per year and millions of pounds saved on energy bills. A successor programme is being planned to support the ongoing development of projects to March 2026.

Today the Mayor also announced the recipients of his London Community Energy Fund's sixth round. More than £400,000 has been allocated to 14 community energy groups for 28 projects supporting the development and delivery of community-owned energy saving projects.

Earlier this month, the Mayor announced the London Climate Resilience Review to explore how London can be better adapted to climate change impacts. This independent review will look at the actions needed at local, regional and national levels to ensure organisations can work to reduce climate impacts on people, infrastructure, the environment and the economy in London. The Review chair, Emma Howard Boyd will launch the call for evidence on Thursday 29th June as part of London Climate Action Week.

The Mayor of London Sadiq Khan, said: "I'm committed to making London net zero by 2030, a target that is achievable if we make bold decisions together now. That is why I'm pleased to announce the Green Finance Fund will lend up to £500 million of investment to low carbon, green partnership projects.

"We've already allocated funding to some exciting projects around London and I'm looking forward to seeing what other green initiatives we can support. The fund is open for applications now so don't delay. By working closely together on energy efficiency projects we can help build a better London for everyone, a cleaner and greener city for all."

Lilli Matson, Chief Safety, Health and Environment Officer at TfL, said: "Reducing carbon is a critical part of our work to reduce the impact of public transport on climate change and we are delighted to receive this additional funding to help accelerate our work. Not only does LED lighting provide a brighter, more welcoming environment for our customers, it helps us reduce maintenance costs, and helps make London a greener and more sustainable city for us all.

"The conversion to LEDs is one of many measures we're taking across our transport network and buildings to help further decarbonise public transport. London leads the way towards achieving net zero and we are committed to doing what we can to ensure our services are the most sustainable way to move around the city."

Ben Coulter, Head of Sustainability at London Legacy Development Corporation, said: "The Green Finance Fund means we can showcase cutting edge solar technology on a venue with a global audience. The solar panel membranes will make significant savings to our carbon dioxide emissions and help drive savings up to £350k a year. It's important we help show how all parts of this city can contribute to the Mayor's Net Zero targets."

Dr Rhian-Mari Thomas OBE, Chief Executive Officer, Green Finance Institute, said: “Private capital is essential to meeting London’s net zero by 2030 ambition, which will require a £75bn investment. The GFI was pleased to leverage its expertise in advising the GLA on the design of the London Climate Finance Facility to ensure the implementation of a scalable solution. This facility commits hundreds of millions of investment in climate infrastructure across London’s boroughs, and will mobilise billions more as the structure of the facility evolves over time.”

Dr Ashok Sinha, CEO of Ashden Climate Solutions and Chair of the London Sustainable Development Commission said: “We are greatly pleased to see the LSDC’s original proposals to the mayor being translated into this important new green finance facility. Only by mobilising the investment power of the private sector, and matching this to a viable pipeline of projects, will we deliver the level of funding needed to meet the Mayor’s target of making London net zero by 2030. This new facility gets London onto the pathway to deliver that funding at the pace and scale needed.”

Mayor Philip Glanville, London Councils’ Executive Lead for Climate Change, Transport and Environment, said: “London is a busy, diverse, and dynamic global city with more than 9 million residents, a thriving hub of industry and a tourist hotspot. As city leaders we have a responsibility to confront the carbon emissions London produces head-on.

“Securing finance is a crucial step to meeting our climate ambitions and today’s launch of a Green Finance Fund, built out of a strong partnership between London’s Government and will allow boroughs to break ground on green projects that will accelerate decarbonisation.

“London boroughs and the City of London are committed to working alongside GLA and other partners to secure a green future for London and unlocking London’s role as a centre for green finance. We are also determined to put our people and communities front and centre so they will be able to make their own changes and play a part in London achieving net zero by 2030.”

Syed Ahmed, Chair of London Community Energy Fund said:

“The Mayor’s London Community Energy Fund (LCEF) has been central to the city’s growth in community-led climate action. We are seeing more groups and more initiatives come forward in response to the programme and believe London has the potential for 1,000 projects by 2030, a five fold increase over present capacity.”