

Climate Budgeting and Green Finance Fund Letter

Canal Walk Local Plan

Key information

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Last year, the Budget and Performance Committee had the benefit of engaging with representatives from the GLA, Oslo's Climate Agency, and the Director of the University of Manchester's Tyndall Centre for Climate Change Research. The discussions were primarily centred around two key areas: Evaluating progress on the GLA's climate budget and examining the progress of the Green Finance Fund.

In this letter to the Mayor, the Committee puts forward five recommendations, addressing key areas intended to advance London's efforts toward decarbonisation and achieving the 2030 net-zero goal. Additionally, there are recommendations aimed at enhancing transparency and accountability for future budgets.

The recommendations include:

1. The Mayor should update the Committee at the start of the 2025-26 budget process to clarify the effective incorporation of Scope 3 emissions into climate budgeting across the GLA family.
2. The GLA should be clear about where it uses carbon offsetting. It should develop a strategic approach to the use of carbon offsetting that considers the limits of its effectiveness. As part of this, it should update the GLA's 2022 Carbon Offset Funds Guidance to include explicit criteria and set out best practice for carbon offsetting.
3. The GLA should provide explicit guidance on areas where GLA funding should never be allocated to reduce carbon emissions.
4. In response to this letter, the Mayor should provide an update to the Committee on what accounting methods the GLA is using to measure the effectiveness of its climate budgeting, plus any initial evaluation of the impacts in the Equality Impact Assessment (EqIA) pilot programme, specifically concerning climate actions and their broader implementation across the GLA group.
5. The GLA should provide clear guidance for eligible boroughs and organisations about the potential to use the Green Finance Fund for smaller-scale projects, through housing associations or borough-level schemes for home retrofits.

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