

LONDONASSEMBLY

July 2025

GLA Oversight Committee

This document contains the written evidence received by the Committee in response to its Call for Evidence, which formed part of its investigation into London’s place in the Government’s devolution reforms.

In June 2025, the Committee launched a targeted Call for Evidence by inviting 20 stakeholders with expertise on English devolution to submit written evidence as an input to the investigation. The Call for Evidence contained a number of questions related to the investigation, which can be found on page 2. The Call for Evidence was open from 4 June to 30 June 2025.

Content

Questions asked by the Committee	2
Local Government Information Unit / Ref No. DR001	3
Jack Shaw / Ref No. DR002	11
Localis / Ref No. DR003	17
Professor Tony Travers / Ref No. DR004	22

LONDON ASSEMBLY

July 2025

Questions asked by the Committee

1. How are London's current devolution settlement and powers working? What are the advantages, disadvantages, successes, and challenges of the current settlement?
2. What gaps and/or inconsistencies have emerged in London's devolution settlement that could be addressed through new government policies or legislative action? Are there areas you would view as a priority to amend in the Greater London Authority Act 1999 (as amended)?
3. How can any further devolution of powers to London be balanced with appropriate scrutiny arrangements to ensure the Mayor of London is held properly to account?
4. How do the aims of the Government's devolution proposals as outlined in the English Devolution White Paper align with:
 - a. the GLA's goals and aims?
 - b. the GLA's current powers and devolution settlement?
5. What can London learn from the powers and policy approaches adopted by other global city authorities?
6. Is there anything else you would like to share with the Committee in relation to this investigation?

LGIU response to GLA consultation on London's devolution arrangements

Author: Andrew Walker, andrew.walker@lgiu.org

Introduction

The Local Government Information Unit (LGIU) welcomes this opportunity to contribute to the GLA Oversight Committee's investigation into London's place in the Government's devolution reforms. As a local government membership body, think tank and registered charity established in 1983, LGIU has around 200 local authority members across the UK and Republic of Ireland, including several London borough councils. Our mission is to strengthen local democracy and put citizens in control of their own lives, communities and services.

LGIU has been actively engaged in research and policy development on English devolution, including our recent publications [*LGIU@40: for the future of local government*](#) and [*How can ten years of English devolution inform our response to the UK Government's programme for Devolution?*](#) as well as our international [*Local Government Finance Observatory*](#) and ongoing analysis of the through our Local Democracy Research Centre.

London's current devolution settlement, while pioneering when established in 2000, requires modernisation to align with contemporary devolution practice and the government's systematic approach outlined in the 2024 English Devolution White Paper. The most significant gap in London's current arrangements is the absence of formal decision-making roles for the 32 boroughs within the GLA structure, contrasting with the joint governance models adopted in other English combined authorities. LGIU supports the proposals by London borough leaders for a model that would provide boroughs with a seat at the table in regional decision-making while maintaining London's unique character. This support is on the basis both of effective governance and facilitating the transfer of decision-making closer to the people it effects, following conversations with senior officers in London boroughs within LGIU's membership. It is also based on the principle of local democracy, that the leaders of each London borough have signed up to the proposals has, in itself, a democratic premium which should be recognised.

1. How are London's current devolution settlement and powers working? What are the advantages, disadvantages, successes, and challenges of the current settlement?

London's devolution powers have enabled some notable successes in delivering successful outcomes, particularly in areas such as transport integration, housing, and economic development. However, structural limitations, financial constraints and governance gaps have limited their overall effectiveness, especially when compared to newer devolution models in other English regions.

Advantages and successes

London's devolution settlement has delivered significant advantages since 2000, with the model achieving some significant outcomes for citizens, especially in transport and economic development, with the Greater London Authority (GLA) using devolved powers to shape city-wide policies and investments that have improved services and infrastructure.

The directly elected mayoral model provides clear democratic accountability and leadership for the capital, enabling strategic, long-term decision-making that would have been unachievable otherwise. The creation of Transport for London, the Elizabeth Line and Crossrail, the Oyster Card system and the first Congestion Charging Zone, exemplify successful integration of strategic transport planning and delivery across a complex network of local authorities, partners and business. The mayor's convening power also enabled important responses to major challenges, like the COVID-19 pandemic, and more positively the successes of the 2012 Olympics and its legacy in community and sport infrastructure across the city.

Housing and planning achievements demonstrate effective use of devolved powers. The Centre for London argues that the London Plan "set a world standard in promoting smart growth, sustainable development, urban renaissance".

The settlement has also provided London with a powerful voice on the national and international stage. The mayor's role in promoting London globally and advocating to central government for the capital's interests has been particularly valuable in securing investment and maintaining London's competitiveness as a global city.

Disadvantages and challenges

However, significant challenges have emerged over the settlement's 25-year history, many of which reflect broader issues identified in LGIU's research on devolution and local government finance.

Unlike combined authorities in Greater Manchester and the West Midlands, London boroughs have no formal decision-making role within the GLA. This absence of structured joint governance means that collaboration between the Mayor and boroughs is voluntary and *ad hoc*. It is often shaped by relationships and party politics, with some borough leaders

arguing that successive mayors have not visited their areas, or that they are forgotten or excluded from important decisions. This creates what the 32 borough leaders, through London Councils, have described as a "democratic deficit" whereby boroughs could become "the only upper-tier council leaders in the country without a formal say over the decisions of their region's Strategic Authority."¹ The current arrangements for funding allocation create "winners and losers" in funding allocation based on political relationships rather than merit or need. The London Assembly also has limited power to scrutinise the mayor effectively, with little meaningful influence beyond budget approval. This creates insufficient checks and balances within the system.

Borough leaders argue that this gap limits the capital's ability to accelerate delivery, boost growth, and ensure value for money. The absence of formal joint decision-making mechanisms can slow down delivery and limit the capital's ability to make optimal use of collective resources.

As is the case throughout English local government, local government in London faces a huge, ongoing financial crisis, which limits its capacity to plan, innovate and lead. In LGIU's 2025 State of Local Government Finance survey a Director of Finance for a London Borough said: "Unless there is a fundamental shift in funding ... all councils will fail – it is a question of when."

Limited fiscal autonomy represents one of the most significant constraints. London as a city, through the GLA, has very limited control over its revenue and spending compared to other global cities and even some English city regions. Less than 5% of all UK tax revenue is raised by sub-national government, far below the OECD average and much lower than cities like New York or Paris. In 2015, 69% of the Mayor of London's budget was funded by central government transfers, compared to just 26% for New York and 16% for Paris. This leaves London's leaders "with their hands tied" when compared to other global cities.

The GLA and boroughs have called for more control over property taxes (like business rates and council tax), arguing that current constraints frustrate their ability to respond flexibly to local needs and deliver better outcomes. As LGIU research has [consistently highlighted](#), centralised control of taxes and funding, and limits to revenue-raising flexibility, hinders autonomy and resilience.

2. What gaps and/or inconsistencies have emerged in London's devolution settlement that could be addressed through new government policies or legislative action? Are there areas you would view as a priority to amend in the Greater London Authority Act 1999 (as amended)?

1

<https://www.londoncouncils.gov.uk/news-and-press-releases/2025/london-borough-leaders-make-unity-ed-call-seat-table-new-devolution>

London's current devolution powers and arrangements are not sufficient to meet the city's needs. The most significant gap requiring attention in any future amendments to the Greater London Authority Act 1999 is the establishment of formal joint decision-making arrangements between the Mayor and London boroughs. Current arrangements create "winners and losers" in funding allocations, with boroughs that lack political relationships with the mayor having to exert influence in other ways, through lobbying or bidding directly to government for funding. For example, the need to lobby heavily for projects like the Super Loop demonstrates the inefficiency of current informal arrangements, which formal joint governance could streamline.

While skills funding flows directly to sub-regional bodies enabling borough influence, this arrangement lacks formal recognition in London's constitutional settlement. A Combined Board could provide formal status for these partnerships. Indeed, London's four sub-regional partnerships (South London Partnership, West London Alliance, Central London Forward, and Local London) play crucial roles in economic development, skills delivery, and employment support, yet they do not have a formal place in London's devolution settlement. This represents a significant gap that should be addressed in devolution reforms.

The South London Partnership, for example, delivers the Work & Health Programme and has published a comprehensive skills strategy covering 1.2 million people and over 550,000 jobs. The West London Alliance provides some of the best-performing employment support services in the country and coordinates collective action on strategic infrastructure needs.

The Devolution White Paper designates the GLA as London's Mayoral Strategic Authority, but the current governance arrangements do not align with the collaborative models being established elsewhere through mayoral combined authorities. Without reform, London risks being left behind as other areas develop more sophisticated joint governance arrangements. The Government's "devolution by default" approach, replacing the previous deal-based system, requires London to demonstrate governance arrangements capable of delivering enhanced powers and responsibilities effectively.

The Act should be amended to include more options for raising revenue. Devolution of funding levers will help London generate income and sustain hard-pressed local services. As LGIU has argued in [LGIU@40: for the future of local government](#), which was based on over sixty interviews with chief executives across local government, and in our [Local Government Finance Observatory](#), access to a broader basket of local tax raising powers would open up the potential for more discretion and innovation at the local level, and a parallel reduction in centrally determined ring fencing. It would boost local and regional autonomy.

3. How can any further devolution of powers to London be balanced with appropriate scrutiny arrangements to ensure the Mayor of London is held properly to account?

Enhanced devolution powers must be accompanied by robust accountability mechanisms. However, the mechanisms for this scrutiny should be considered and shaped around the needs of the place. The London Assembly currently has limited power to scrutinize the mayor effectively, with limited meaningful influence beyond budget approval. This creates insufficient checks and balances within the system. Furthermore, the Assembly lacks public recognition and understanding of its role, which creates problems for democratic engagement and participation.

Any new arrangements should include:

- Clear protocols for decision-making transparency
- Regular reporting mechanisms
- Formal consultation requirements with affected communities
- Performance measurement frameworks aligned with devolution objectives
- Regular review mechanisms to assess effectiveness and make adjustments

The Combined Board mode proposed by London Councils would strengthen accountability by:

- Ensuring borough representation in strategic decision-making
- Maintaining the London Assembly's crucial scrutiny role
- Creating formal channels for local input into regional decisions
- Enabling more effective oversight of devolved funding and powers

4. How do the aims of the Government's devolution proposals as outlined in the English Devolution White Paper align with:

a) the GLA's goals and aims?

The Government's devolution agenda, as outlined in the White Paper, emphasises economic growth, improved public service delivery, and democratic accountability. These align closely with the GLA's strategic objectives around housing, transport, economic development, and environmental sustainability.

However, LGIU notes that the Government's approach prioritises "devolution by default" with standardised governance arrangements. London's unique scale and complexity require bespoke solutions that maintain the benefits of the mayoral model while incorporating the collaborative elements that characterise successful devolution elsewhere.

b) the GLA's current powers and devolution settlement?

The white paper acknowledges London's unique governance but lacks concrete mechanisms for borough inclusion, or proposals for adapting and expanding the powers and

structures of London's governance. The proposal to "explore" joint decision-making falls short of boroughs' demand for statutory roles.

London already operates under the mayoral model that the White Paper promotes as the preferred approach for strategic authorities across England. This puts London ahead of the curve in terms of governance structure. London's existing devolution settlement also includes longstanding and significant powers over transport, strategic planning, policing oversight, and fire services. The White Paper's devolution framework would potentially extend these powers.

London is well-positioned to take on additional responsibilities, but the governance arrangements must evolve to support effective delivery. The current voluntary collaboration model may not provide sufficient resilience for managing expanded powers and responsibilities.

However, the GLA covers a much larger and more diverse area than most proposed strategic authorities, and each borough is smaller than the population scale for proposed unitary authorities, raising questions about whether the White Paper's models fully account for London's unique scale and complexity.

The most significant misalignment is in governance arrangements. While mayoral Combined Authorities elsewhere give leaders of constituent local authorities formal decision-making roles, London boroughs have no similar role. The White Paper's vision of seamless integration between strategic and local levels of local government does not match London's reality, either. Furthermore, despite being the most mature devolution arrangement in England, the GLA has limited fiscal autonomy and London is not among the areas progressing to integrated settlements, like Greater Manchester and the West Midlands. The Devolution White Paper confirmed that the government wants to explore the potential for an integrated settlement for London that could be implemented from 2026-27.

5. What can London learn from the powers and policy approaches adopted by other global city authorities?

As with the rest of local government, London has limited fiscal autonomy. The GLA and boroughs have very limited control over local taxation and revenue-raising compared to other global cities. Most funding is still determined by central government, with local authorities only able to adjust a levy on council tax and a supplementary levy on business rates. Research from the London Finance Commission has shown that London has among the weakest fiscal powers of any major global city. In contrast, cities like New York, Paris, and Tokyo have far greater autonomy over local taxes, including property, sales, and income taxes, enabling them to tailor fiscal policy to local priorities. London receives 74% of its funding from central government grants compared to 31% in New York, 25% in Berlin, and just 8% in Tokyo.

Change is possible to accommodate the place of global cities within governance frameworks. As we highlight in LGIU's [Local Government Finance Observatory](#) investigation into the governance of Italy, in 2009, Rome was given enhanced legal status via Article 24 of Law 42/2009 (Rome capitale), which gave the capital more competencies than a standard city, more fiscal and budgetary power, and additional organisational autonomy.

6. Is there anything else you would like to share with the Committee in relation to this investigation?

1. Local government finance is in crisis

LGIU's 2025 State of Local Government Finance survey reveals the critical financial pressures facing the sector that must inform London's devolution arrangements. Of the 150 councils surveyed nationally, 6% indicated they were likely to issue a section 114 notice in the next financial year, with 35% indicating likelihood of doing so within five years. This suggests potential financial failure affecting 19 councils by March 2026, rising to 111 by 2030, including London boroughs.

These findings underscore the importance of fiscal as well as political devolution. London boroughs face similar financial pressures as councils elsewhere, though pressures in areas like temporary accommodation are higher than in many areas. LGIU's survey research found that, to maintain a balanced budget, 94% of councils nationally plan to increase council tax, 88% to increase fees and charges, and 63% will reduce spending on services. Most alarmingly, 56% will draw from reserves - the second successive year for nearly half of councils.

LGIU research also shows overwhelming support for key financial reforms that London's devolution settlement should incorporate at the level of the GLA, as well as for local authorities, these include:

- Multi-year financial settlements;
- A broader set of fiscal tools available;
- Council tax reform;
- Greater local control over revenue generating mechanisms, and;
- Simplified funding streams to reduce administrative burden.

2. London's sub-regional partnerships are a critical but unrecognised part of London's governance and policy delivery.

London's four sub-regional partnerships (South London Partnership, West London Alliance, Central London Forward, and Local London) play crucial roles in economic development, skills delivery, and employment support, yet they do not have a formal place in London's devolution settlement. This represents a significant gap that should be addressed in devolution reforms.

The South London Partnership, for example, delivers the Work & Health Programme and has published a comprehensive skills strategy covering 1.2 million people and over 550,000 jobs. The West London Alliance provides some of the best-performing employment support services in the country and coordinates collective action on strategic infrastructure needs.

London's place in the Government's English Devolution White Paper

Response to the Call for Evidence from the Greater London
Authority Oversight Committee

Authors:

Jack Shaw

Date:

July 2025

The Productivity Institute

1. How are London's current devolution settlement and powers working? What are the advantages, disadvantages, successes, and challenges of the current settlement?

London has a unique form of devolution within England. Since the Greater London Authority (GLA) was created in 2000, it has had an elected Mayor of London and a London Assembly. Combined authorities in England have not been required to establish an equivalent of the London Assembly as it is currently constituted.

The Mayor has powers over transport (via TfL), policing (via MOPAC), strategic planning, housing, environment, and economic development. London's local authorities retain the same responsibilities as other unitary authorities in England, though given the scale of London informal sub-regional services across London are more prominent than other major cities across England.

One advantage of the Greater London Authority is that it has been able to provide strategic coordination with reasonable success. London is widely seen to have one of the best integrated transport systems in the world. TfL has delivered integrated ticketing, improvements to the tube and buses, and major projects like the Elizabeth Line. The Elizabeth Line wouldn't have been financed without the use of the Mayoral Community Infrastructure Levy (MCIL) and a Business Rate Supplement (BRS) of 2p per £1 on non-domestic properties over £55,000. The English Devolution White Paper is only now providing Directly Elected Mayors (DEM) across England with the ability to raise MCIL.

This same advantage within England is reflective of its weakness when compared internationally. For example, London has extremely limited revenue-raising responsibilities when compared with New York and Tokyo. The English Devolution White Paper made allowance for a "new working group" sponsored jointly by MHCLG and the GLA to explore how London compares internationally, but it is not clear whether progress has been made.

Another disadvantage of the current London settlement is the fragmentation between the GLA and London authorities. As it stands, strategic and local authorities in England are broadly conceptualised as being responsible for a set of competencies each, which are overlapping but largely in separate domains. In reality this picture is more nuanced and outside of the UK multi-level governance is more mature, with services operating across tiers. For example, the Prefectural Government and municipalities in Japan have much closer working relationships.

As a London example, take temporary accommodation (TA) - a challenge putting local authorities at risk of a Section 114. Local authorities have statutory duties to address homelessness, primarily enshrined in the Housing Act (1996) and the Homelessness Reduction Act (2018). The GLA, enshrined in Section 333 of the GLA Act, is required to produce a London Housing Strategy. In this, it sets out what action the Mayor of London is taking on homelessness. The GLA also provides investment in homelessness services. In theory it also plays the role of convenor or strategic coordination, and while this is accurate to an extent, there are significant pan-London opportunities to tackle homelessness that are not being realised and can only be capitalised if the human capital and convening power of the Mayor of London is drawn upon. Can services over a larger spatial footprint reduce or prevent local authorities outbidding one another and placing households in each of their boundaries, for example? Can a pan-London approach help address the millions that large-scale hoteliers are making from homelessness? Should ownership of social housing stock be on a larger footprint, as Capital Letters intended?

Overall, London's devolution settlement has delivered tangible benefits, especially in transport and strategic planning, but it remains partial and constrained. To meet current and future challenges—such as the housing crisis, climate change, and inequality—London may need greater fiscal autonomy, more integrated powers across health and social care, and more say in large-scale regeneration.

2. What gaps and/or inconsistencies have emerged in London's devolution settlement that could be addressed through new government policies or legislative action? Are there areas you would view as a priority to amend in the Greater London Authority Act 1999 (as amended)?

When the London Assembly was first established, 260 Labour Party applicants applied to be an Assembly Member. It has not attracted anywhere near that figure since.¹ Meanwhile, strategic authorities in England have chosen *not* to adopt the London Assembly model. The London Assembly is not endowed with the responsibilities necessary to hold the Mayor of London to account and strengthening the London Assembly should be given further consideration.

A second area that should be considered is the relationship between the GLA and London authorities, and specifically the notion of joint decision-making. This raises significant questions - about the role of the political leaders of London authorities; what impact any new role for them may have on the London Assembly and Deputy Mayors; and whether outcomes will improve for Londoners as a result. The primary reason cited for this arrangement is that it helps provide more strategic alignment across London. This is likely to be more necessary given that the Government is simplifying funding streams

¹ Brown, J. et al. *London's Mayor at 20: Governing a global city in the 21st century*, 2020, p.87.

and intends to direct some of them through strategic authorities (while others might be integrated in the Local Government Finance Settlement). Yet beyond that, the rationale is less clear.

One final area is that the Government should explore whether London - given its institutional maturity, and the capacity and capability it has developed over a quarter of a century - can pilot new responsibilities as MHCLG iterates the Devolution Framework. Many strategic authorities outside of London concede that they are at the beginning of their devolution journey and do not have the capability for *some* forms of devolution. Fiscal devolution would be the most obvious candidate - and there is significant scope to help finance large-scale regeneration in London if this nettle is grasped. Health devolution has also been overlooked by the GLA in the past.

3. How can any further devolution of powers to London be balanced with appropriate scrutiny arrangements to ensure the Mayor of London is held properly to account?

As colleagues at The Productivity Institute have set out, there are different forms of accountability.² At present, much of the focus has been on the accountability that strategic authorities will have to the Government, also known as ‘top down’ accountability. There has been comparatively little emphasis on ‘bottom up’ accountability - how the GLA can hold the Government to account, given achieving its outcomes will be interdependent on the legislation, investment and other changes the Government will make. There has also been insufficient focus on ‘inward’ accountability (scrutiny by the political leaders of London authorities) and ‘outward’ accountability through the democratic process. This is particularly important given the results of recent elections: the Mayor of Cambridgeshire and Peterborough was elected by less than 10 per cent of the electorate in May 2025. All these forms of accountability require further investigation, and additional scrutiny should be a quid-pro-quo for new competencies. The abiding question will be accountability to who, and for what.

The Integrated Settlements mark a welcome step-change, which the GLA is anticipated to benefit from in 2026-27. The Integrated Settlements are designed to give strategic authorities more flexibility over the investment they make, and to shift the focus onto outcomes. It is unclear how the English Devolution Accountability Framework (EDAF) established in 2023 operates alongside the Integrated Settlements. The Government at the time committed to republishing EDAF annually alongside a Devolution Annual Report, but neither of these appear to have taken place. It is equally not clear whether strategic authorities’ compliance with EDAF is monitored.

² Kenny, M. et al. *Rebuilding local democracy: the accountability challenge in English devolution*, The Productivity Institute, 2024.

4. How do the aims of the Government's devolution proposals as outlined in the English Devolution White Paper align with (a) the GLA's goals and aims? And (b) the GLA's current powers and devolution settlement?

Significant attention in the White Paper is paid to local government re-organisation or devolution outside of London. Nevertheless, the White Paper highlights that the Government will remove "any unnecessary or dated provisions" from the GLA Act. This is sensible, given the GLA Act reflected the first-time substantive devolution in England had been achieved. One example might be limitations on the political advice that the Mayor of London can receive. The London Assembly is unlikely to conclude that the Mayor of London doesn't have access to appropriate political advice, but the principle of subsidiarity should be protected and the GLA and Mayor of London should be entitled to make decisions about staffing requirements without overzealous primary legislation.

The Government also commits to 'exploring' whether changes are needed to the system governing the disposal of Transport for London operational land - which falls short of a caste-iron guarantee. And the Government also says it will approve the Mayoral Development Corporation (MDC) in Soho. Under the Localism Act (2011) the Mayor of London has the power to establish an MDC with the consent of the Secretary of State. The English Devolution Bill should update this so that the Mayor of London can create an MDC unilaterally.

Alongside other changes acknowledged in this submission (such as the aforementioned new GLA-MHCLG Working Group), the White Paper aligns with the GLA's priorities and existing devolution settlement. It did not, for example, seek to remove competencies from the Mayor of London, either by stealth or explicitly. Previous administrations have sought to do so, such as by placing new requirements on TfL. That said, the devolution available to the GLA in the White Paper is not substantial. Helpfully, the White Paper establishes a process for building on the Devolution Framework. Strategic authorities will be able to propose "individually or with others, additional functions to be added to the statutory Devolution Framework". The White Paper notes that "this will be an annual process ahead of fiscal events." The GLA should make use of this provision.

5. What can London learn from the powers and policy approaches adopted by other global city authorities?

As is a recurring theme, fiscal devolution is a 'theory of everything'. If London wants to self-finance large-scale regeneration, it will need to be able to raise revenue. If London wants to host an international competition that would boost the visitor economy, it could capture the benefit with new

revenue-raising tools such as a Tourism Levy, making it more viable. If London wants to remain internationally competitive, it is vital that it is able to invest in the priorities it has set out in The London Plan, London Growth Plan and London Infrastructure Plan 2050.³ This will require fiscal devolution.

The final point is that Tokyo or New York have the ability to raise tax through more than one dozen taxes each. Not only can more revenue-raising opportunities help boost London's economic trajectory, but it can also provide it with more resilience to withstand shocks. As it stands the GLA has significantly fewer levers than its counterparts: principally Business Rates Retention, the Mayoral Precept and TfL revenue.

6. Is there anything else you would like to share with the Committee in relation to this investigation?

Not at this stage. Thank you for the invitation to submit to this Call for Evidence and I welcome the opportunity to discuss London devolution further with the Oversight Committee.

Jack Shaw, Policy Fellow at the University of Manchester's Productivity Institute and Honorary Senior Research Fellow at the Mile End Institute, Queen Mary University of London.

³ London runs a net fiscal surplus, meaning it contributes more to HM Treasury than it receives in public investment.

London in the new devolution ecosystem

Localis response to the GLA Oversight Committee Call for Evidence

This short document is submitted by Localis as a response to the GLA Oversight Committee's call for evidence on the potential impacts on the GLA of the Government's proposals to broaden the devolution of powers in England – in the context of the English Devolution White Paper's commitment to "strengthening the capital's devolution settlement". This analysis draws from a number of Localis research projects, both published and unpublished, as well as external sources listed at the end of the document.

1. London's current devolution settlement

Compared with the other 'strategic mayors' across the country as they have been constituted since 2017, the Mayor of London operates under a fairly strong mayoral model. The strength stems from the Mayor's direct mandate, the ability to control appointments to key bodies like TfL, and their power to set strategy through documents such as the London Plan. Nevertheless, examining the issue as background research to work commissioned in late 2019, we identified two broad areas that could be seen as disadvantages with the current system.

1.1 Mayoral-borough relations

The sheer scale of London governance makes comparing the mayoral-borough relationship in the city with other strategic mayoral authorities difficult. Where the basis for other strategic authorities is drawn from constituent councils, as made clear in the name 'combined authorities', the GLA exists as a separate entity to London's local government. The office of mayor and the GLA's strategic functions have evolved and developed in this context, just as those of the Greater Manchester Combined Authority *et al* have evolved within theirs. There are perhaps elements of the GLA's model which some working within combined authorities might envy – not needing to be as concerned over achieving consensus across boroughs, for example – but the separation in London's model is not without flaws.

The most glaring omission from the 1999 settlement in this regard is that Boroughs have no statutory role in the formulation or evaluation of GLA policy. The 1999 Act established the Assembly to fill this role, which it has been able to, but the lack of formal involvement of London's local government leaves too much of the relationship between the most powerful directly-elected office in the country and its underlying polity down to personal style and ad-hoc arrangements. Tensions between individual mayors and boroughs have led to a lack of communication over various issues in the past, at times leading to borough leadership feeling frozen out and frustrated. On the other side of the coin, the mayor's powers for statutory override on strategic issues such as transport and development are inconsistent and awkward – the debate over the establishment of the West End Mayoral Development Company¹ stands as an illustration to much of what could be improved about the current settlement.

While joint working is undoubtedly an operational reality across London in multiple policy areas, the lack of a statutory framework means that mayors are not sufficiently incentivised to develop strong relationships with Boroughs. Similarly, the lack of a bespoke framework which separates powers between the GLA and London councils can allow local leadership to frustrate mayoral policy which has a clear democratic mandate – for example, although twice elected on a platform which included improving provision for cycling in London, in reality Mayor Boris Johnson found relationships with boroughs to be a key factor in a city-wide rollout².

¹ Dave Hill (2025) – [On London Extra: Who is the West End for?](#)

² Christian Wolmar (2013) – [Boris cycle plan: fact or fiction?](#)

London is too large for the model developed in Greater Manchester and subsequently rolled out across the country to feasibly be expected to work. This is not to say, however, that a new settlement could not take lessons from the combined authority model, particularly as those authorities move to a simpler majority vote system of approval – a measure designed by government to strengthen the power of strategic mayors. London’s subregional groupings, like the West London Alliance or Local London, are more comparable in terms of population size and economic activity to cities like Birmingham and Manchester than London at large. These bodies already play a role in GLA skills policy delivery, this could be used as a foundation for formalising a policymaking and scrutiny process which allows for groupings of London boroughs to cast votes on one executive board, analogous to the combined authority boards.

A new settlement should also look to consider the division of powers between the strategic and local tiers in London, rather than viewing the GLA as an additional but separate institution. This will mean confronting difficult questions of both a political and pragmatic nature, in a manner similar to the criteria for ‘calling in’ on planning. Considering economic growth, for example, at what level of economic activity does an area cease to be a local place and become a strategic economic asset for the city? Should a mayor be able to override boroughs on policy matters which are covered in their manifesto? The next devolution settlement for London should seek to answer such questions and in doing so provide more certainty to governance in the city.

1.2 Central governments capacity to obstruct London government

The capacity of central government, particularly the Treasury and MHCLG, to disrupt and obstruct the Mayor of London is one major sticking point that must be resolved if a new settlement for London is to be a part of the ‘devolution revolution’. While the mayoralty is ostensibly a powerful office, events surrounding the COVID-19 pandemic in 2020 revealed key weaknesses in the 1999 settlement.

One notable conflict of this time was not directly related to the pandemic, but rather to the longstanding apathy of the government of the day towards the mayor’s London Plan. After notable delays, Secretary of State for Housing, Communities & Local Government, Robert Jenrick, responded harshly with a set of directions for the Mayor of London to follow if he wished to have his London Plan approved. This was dubbed an effective ministerial takeover of Mayor Sadiq Khan’s London Plan and its targets – that continued deep into the pandemic, with more delay and erosion of targets and powers to boot, before finally being published in a notably reduced state. This is ultimately down to an opaque procedure of assessment which can easily be hijacked by political calculations.

The stand-off over the London Plan exposed the legislative holes in the power of London’s mayoralty. A second conflict of 2020, directly related to the pandemic, exposed the fiscal holes in the mayor’s power. Control over TfL is one of the most clear-cut powers the mayor exercises. However, with the pandemic, passenger numbers plummeted to levels not seen before the 1800s, taking TfL income with it. By June, COVID-19 had left a £500m void in the capital’s finances, with Mayor Khan warning that without government bailout, services including the police and fire brigade would need to be cut back.

To each ‘bail-out’ deal, central government imposed several conditions, including extending the scope and level of the Congestion Charge; to temporarily suspend free travel for the under-18s and over-60s; and to raise fares. At the time, Mayor Khan said the government was “punishing” Londoners with a “new era of austerity”. The fundamental driver of all of this conflict, however, goes beyond individual central government decisions: it is the Mayor of London’s dependency on decisions made, several miles to the West of City Hall, in the Treasury. Outside of the farebox, the mayor has limited scope to raise funds for TfL at city level, forcing a dependency on central government. The Business Rates Supplement (Crossrail) Act allowed the Mayor to raise infrastructure funds at city-level, however this precedent has not been built upon in the intervening 15 years. As such, London’s infrastructure “asks” are made to compete with all

other departmental and regional priorities at spending reviews, as was the case for the most recent round. Given the political implications of investing in London, with transport infrastructure investment in particular often leading to headline-grabbing highlights of regional disparity, this places the TfL in a difficult position.

A new settlement for London must therefore seek to fix these holes in mayoral power. This can be done partly by greatly simplifying the secretary of state's review of the plan. In the guideline for the new statutory Growth Plans to be produced by strategic authorities, the government repeats mistakes of the past by simply stating that the plans must exhibit "shared priorities" with the centre. To guard against political brinkmanship, the nature of these priorities must be clearly stated in advance and the presumption should always be that government do not interfere with democratically-legitimate devolved processes except in the case of a clear clash of priorities. In other words, it should be up to government to delineate criteria by which a London Plan would be "called in", rather than to approve or reject the Mayor's draft – or the risk of party politics interfering will remain. Indeed, Mayor Khan made clear last year that he felt that an ongoing review of his plan commissioned by then Secretary of State Michael Gove was being used to help the Conservative party in the run-up to the general election³.

Regarding fiscal powers, much has already been written and the issue has been comprehensively covered by the London Finance Commission on two occasions^{4,5}. The onus is now on central government to finally give the capital city the power to finance its own development – particularly in the context of a Fair Funding Review which is likely to see central government support for the capital's boroughs reduced.

2. London and the 'devolution revolution'

The current government came into power with the promise to deliver 'devolution by default' in what is commonly described as the most centralised country in OECD. The English Devolution White Paper set out their vision for achieving this goal, in a manner which in many ways overlaps with both the devolution settlement and the overall policy direction of the GLA.

The white paper's overall vision for what devolution should be able to achieve if powers are sufficiently transferred is broadly in line with the GLA's policy focus as outlined in the London Plan. Indeed, much of the vision for new strategic authorities impact in their areas seems very similar to the goals of the GLA. Some prominent areas of overlap include:

- **Good, sustainable growth** is a focus of the white paper, which stresses the importance of delivering growth through "an economy that works for the whole country". Beside the fact that promoting economic development is set out as a principal purpose of the authority by the GLA Act, this approach aligns closely with the GLA's focus on "good growth" which centres socio-economic inclusion and environmental sustainability.
- **Housing delivery and strategic planning** has been a centrepiece of the government's agenda, and both the white paper and the associated Planning and Infrastructure Bill advance towards this goal with the establishment of Spatial Development Strategies (SDSs) led by strategic mayors. This of course aligns directly with the goals of the London Plan, which has for over a decade been the only statutory strategic spatial plan produced in England.
- **Integrated transport systems** in the mould of TfL are a central aim of the white paper, which aims for "easier commutes through a single transport system, with pay-as-you-go fares and joined up services" – although the repeated wranglings between central government and the GLA over how much should be invested in upgrading the TfL network through schemes like the mooted Bakerloo Line extension are not addressed in outlining this vision.

³ London Assembly (2024) – [Mayors Question Time, ref. 2024/1171](#)

⁴ London Finance Commission (2013) – [Raising the Capital](#)

⁵ London Finance Commission (2016) – [London Finance Commission 2: Interim Report](#)

- **Delivering net zero and protecting the environment** are cited as a crucial role for strategic authorities by the white paper, in a manner which mirrors the GLA's aims – in particular, the commitment to London becoming a “zero-carbon city” by 2050 as an overarching policy goal to the London Plan.
- Other areas of significant overlap include **skills and employment support** along with **reducing health inequalities**, both core components of the London Plan's policy and stated aims of strategic authorities in the English Devolution White Paper.

As well as shared goals, there are clear commonalities between the new settlement envisioned for combined authorities and that laid out in the GLA Act 1999. At the most basic level, the white paper's call for “more directly elected Mayors to create visible leadership and greater accountability” aligns with the Mayor of London's already established direct mandate and role as a key local leader under the GLA Act 1999. The white paper proposes to “create in law the concept of a Strategic Authority”, and the GLA already functions as a statutory strategic authority for London, and uses the London Plan as an example of the type of planning which SDSs are designed to facilitate.

A potentially more complex area of overlap between the London settlement and the new strategic authority framework is the functional alignment with the police and fire services. The white paper states that “where mayoral geographies align with police force and fire and rescue geographies, mayors will, by default, be responsible for exercising Police and Crime Commissioner and Fire and Rescue Authority functions”. While the 1999 Act doesn't automatically merge the mayor's role with PCC/FRA functions in London as proposed for other areas, it establishes a framework for mayoral influence over these services. The white paper acknowledges the Mayor of South Yorkshire's dual role as PCC and Chair of the Integrated Care Partnership as a positive example of joining up services, suggesting an ambition for similar integration elsewhere, which is broadly consistent with the GLA's comprehensive remit, although mayoral chairing of ICSs/ICPs in London would be an admittedly more complex process, as the mayor couldn't feasibly chair all four London ICPs.

The new devolution ecosystem heralded by the white paper also has some bearing on the ongoing struggle for fiscal autonomy in the capital. The white paper aims for a “simplified funding landscape” and “integrated settlements” for established mayoral strategic authorities. While the 1999 Act outlines how the Mayor and TfL apply net proceeds from schemes like congestion charging, it subjects them to Secretary of State approval and guidance. The GLA has long advocated for further devolution of fiscal powers to London, including property taxes, to enable more efficient and certain investment in infrastructure. The White Paper's move towards integrated settlements seemingly aligns with London's existing calls for greater fiscal autonomy. However, reports of even the power to levy a tourism tax being excised from the draft white paper during inter-departmental negotiations may serve to dampen such hopes.

Bibliography

Centre for London (2024) – Devolution in London: The Unfinished Story

GLA Oversight Committee (2023) – Devolution in London

London Assembly (2019) – Written evidence to the Housing Communities and Local Government's inquiry on progress on devolution in England

London Councils (2025) – London borough leaders make united call for 'seat at the table' in new devolution settlement

BusinessLDN (2024) – Give London the devolution deal it and the country needs

On London (2025) – Government devolution plans for London unclear, Assembly hears

Institute for Government (2024) – Nine things we learned from the English devolution white paper

Potential Impacts on the Greater London Authority of the government's devolution proposals

Evidence to the GLA Scrutiny Committee

Professor Tony Travers, London School of Economics & Political Science

The government's devolution policy compared to the GLA

1. The Greater London Authority reached its 25th anniversary in 2025, now surpassing the lifespan of the Greater London Council (1965-86) by over four years. The new London arrangements put in place in 2000 have become the reference point for mayors in other major English cities and, in the coming years, for a system of 'strategic authorities' with mayors across most of England. The rejection of regional government in the North East's 2004 referendum proved to be a key moment in the move to city regional government.
2. A version of the post-2000 London arrangements was extended first to Greater Manchester and the West Midlands, and then beyond to West Yorkshire and most other city regions. The option of regional government across England of the kind envisaged by the Blair government in the early 2000s was killed off by the referendum in the North East of England. Instead, voluntary joint arrangements pioneered by the ten members of the Association of Greater Manchester Authorities became the prototype for statutory combined authorities, to which London-style elected mayors were then added.
3. The first devolution deal was announced by the former Conservative government and the Greater Manchester Combined Authority in 2014. Between then and mid-2024, deals were agreed with a total of 22 areas. Since 2000, additional powers have been devolved to the Greater London Authority.¹
4. The government is committed to rolling out devolution throughout England. In a White Paper published in December 2024, proposals were outlined to deliver 'devolution by default' to areas which do not already have combined authorities, rather than gradually rolling out the policy on an area-by-area basis. In the areas to be reformed, local government will be reorganised to produce single-tier unitary councils with populations of no less than 500,000, though with possible ministerial agreement to slightly smaller numbers. The new unitary councils will come together on an area-by-area basis to form 'strategic authorities'. Elected mayors will be elected for these new authorities. The leaders of the new unitary councils and the elected mayor will make policy by simple majority voting on the strategic authority.

¹ *English devolution: Mayoral strategic authorities*, Mark Sandford, House of Commons Library Research Briefing, 19 June 2025, <https://researchbriefings.files.parliament.uk/documents/CBP-10194/CBP-10194.pdf>

5. New powers to be devolved include the requirement to publish a spatial development strategy (like the *London Plan*), with 'call in' planning proposals of strategic importance (again, like the Mayor of London). Adult skills funding resources will be devolved, as will powers over bus networks and powers in relation to "governing, managing, planning and developing the rail network". Homes England will move to a more "regionalised model" to align policies with those of mayors.² Mayors will be given greater control of integrated budgets and access to a council tax precept, but no new tax-raising powers.
6. The England-wide model will resemble the post-2000 London arrangements, but not in every way. Major differences compared to London will be the relatively small transport budgets in the other strategic authorities (TfL's fare income and annual budget are vastly bigger than those in any other combined or strategic authority) and the fact that because boundaries will not necessarily align, some of the new mayors will not be police and crime commissioners and may not be responsible for fire & emergency services. Other differences are explained in paragraph 7 below.
7. Thus, the London directly elected executive mayor model is similar to the city regional governments in an ever-increasing number of English cities. But there is a major difference between the London model and those elsewhere. From the GLA's creation in 2000, the Mayor of London was the sole origin of policy-making executive power, subject to oversight by the London Assembly. Outside London, the combined authority model consists of the leaders of the constituent councils, with the elected mayor as a member of the authority. Of course, the legitimacy of direct election confers significant authority on these mayors.

The Committee's key topics for investigation

The functioning of London's current devolution settlement, the associated successes and challenges, and its alignment with the Government's proposed devolution plans

8. The government's devolution White Paper makes few references to London. Policies which are mentioned are:
 - The possibility of an 'integrated [financial] settlement' for London covering separate funding streams for housing, regeneration, local growth, local transport, skills, retrofit, and employment support. The government has subsequently announced there will be such a settlement for London from 2026-27;
 - A working group to be set up to compare the powers and policy approaches of other global city governments. This initiative will be led by a new working group

² English Devolution White Paper, 16 December 2024, <https://www.gov.uk/government/publications/english-devolution-white-paper-power-and-partnership-foundations-for-growth/english-devolution-white-paper>

sponsored jointly by Ministry of Housing, Communities & Local Government and the GLA;

- Reiterating the government's commitment to the Mayor's decision to create a mayoral development corporation for the Oxford Street district;
- A longer-term financial settlement for TfL;
- A 'trailblazer' funding package (for London and some other city regions) to "accelerate a more locally-led and joined-up approach to tackling economic inactivity".

9. In fairness, there are relatively few changes proposed for most of the other existing mayoral/combined authorities. The White Paper is significantly concerned with the new authorities to be created across England.

10. Thus, insofar as there are limitations with the existing London model, they are not considered in the White Paper. Issues which might have been examined as part of a major commitment to further devolution and/or reform include:

- The balance of power within the existing GLA devolution arrangements as between the Mayor and the Assembly. For example, are scrutiny arrangements sufficient and working well? Might the Assembly have a more developed policy-making role?
- Does the relationship between the GLA and the boroughs need codifying in a more explicit way? In a classic British government settlement, the London government arrangements proceed and evolve by a form of trial and error. When it comes to issues such as the need for additional taxation powers for London's government or the allocation of housing targets, how can the two parts of the London government system work more collaboratively to deliver devolution and better policy outcomes?
- Police accountability in London is, at best, opaque. The Home Secretary, the Mayor of London (via MOPAC) and the Metropolitan Police Commissioner share accountability for the police, with operational policing solely the responsibility of the Commissioner.

Priority areas for London in any new devolution settlement

11. As the government considers strengthening and expanding English devolution, it is possible to consider how the 2000 settlement, as subsequently amended, priorities for further devolution can rationally be put forward. Most important among such possibilities are:

- Should London take control of all the 'commuter rail' lines within the GLA area? The devolution White Paper explicitly states that new mayors and strategic authorities will have a role in "governing, managing, planning and developing the rail network". It would be odd if TfL, which has significant expertise in delivering services on the Underground, the Overground and the Elizabeth Line were not to be given powers and resources to run the (currently often less well run) commuter rail system.

- The extent of powers and funding available to the GLA. Compared to the mayors and city leaders of say, New York or Tokyo, the London mayor's powers are limited in relation to healthcare, housing finance/regulation, infrastructure delivery and policing.
- Greater fiscal devolution. Compared with similar cities in other countries, the GLA's fiscal autonomy is badly under-powered. This issue has been reviewed twice in recent years, but with virtually no progress in creating a wider tax-base for the GLA and the boroughs.³ This failure is the more profound, given the massive scale of London's tax-generating capacity for the Exchequer.
- The London boundary: as part of the wider devolution proposals now being considered by the government, might the outer extent of London, originally determined in the mid-1960s, be extended in recognition of the housing and planning needs of the city within the wider south east super-region?
- How will the GLA sit alongside the mayoral strategic authorities and future governance arrangements to be created for Essex, Hertfordshire, Buckinghamshire, Berkshire, Surrey, Kent, East Sussex, West Sussex, Bedfordshire, Hampshire, the Isle of Wight, Oxfordshire, Cambridgeshire, Norfolk, and Suffolk? The way London works with this new 'planetary system' of mayors and strategic authorities will have a bearing on the economic future of this 'wider south east' area and thus the UK as a whole. The London administrative boundary creates a city of nine million people within a far larger functional economic area.

Opportunities available to London through the White Paper and the proposed devolution framework in the English Devolution Bill

12. The White Paper is an opportunity for London, both the GLA and the boroughs, to make the case for a greater degree of sub-national power. At present, as stated in paragraph 9 above, the White Paper is mostly concerned with the development of new strategic authorities and the unitary councils which will be created. London can use the existence of the reform to make a case for devolution more generally and for explicit further transfers of power to the GLA and the boroughs.
13. Although the Scrutiny Committee's question above is about 'opportunities available to London', it is probably worth considering other issues (not always 'opportunities', but closer to 'inevitable questions begged') which might arise from the creation of strategic authorities and the reform of English local government now about to take place. Examples of such issues include:
 - If new councils outside London are in most cases to have a population of 400,000 to 500,000 or more, will pressure emerge to reform the boroughs to produce fewer, bigger, authorities? Recent population projections from the

³ See the *London Finance Commission* (2013) and (2017), commissioned by Conservative and Labour mayors respectively. 2013: <https://cdn.ps.emap.com/wp-content/uploads/sites/2/2013/05/London-Finance-Commission-Raising-the-capital.pdf>; 2017: https://www.london.gov.uk/sites/default/files/devolution_-_a_capital_idea_lfc_2017.pdf

ONS shows several boroughs, notably Barnet and Croydon, with a population close to 400,000, and more which will get close to or above that figure by the mid-2030s. But others, particularly in inner London, are far smaller. Any suggestion of structural reform in London would beg a particular question about the central area.

- A consideration of London within any debate about devolution should focus attention on the city's less well-off population and also on its importance as a tax-generator for the Exchequer.⁴ The current government, in common with its predecessor, has been keen to promote infrastructure development, neighbourhood funding pots and other investment "outside London". Yet many parts of the city contain large concentrations of deprived people and relatively high levels of unemployment. There are compelling reasons both for London's residents and businesses, but also for the Chancellor's UK tax take, to ensure London receives investment and ensure that recent productivity weakness is reversed.
- Another potential opportunity for London deriving indirectly from the devolution White Paper would be to make the case, if necessary, for the re-municipalisation of the city's water supply. Thames Water's apparently endless problems are widely covered in the national media and the company's future remains uncertain. It is worth noting that the London County Council, the metropolitan boroughs and other local municipalities ran the Metropolitan Water Board with great success from 1904 to 1974.

The views of Londoners on the powers of the Mayor of London and the London Assembly

14. Opinion polling in England has suggested the public (not only in London) trusts local government more than national government. Recent published research from Ipsos showed that people prefer many decisions to be made by locally-accountable politicians rather than Whitehall. According to Ipsos "About 4 in 10 think Mayors make local government accountable to residents, give the area a voice in Westminster and help bring communities together."⁵ There is no reason to believe Londoners' views are out of line with these national findings.

⁴ See: Country and regional public sector finances, UK: financial year ending 2023 ONS, <https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicsectorfinance/articles/countryandregionalpublicsectorfinances/financialyearending2023>

⁵ Ipsos/LGIU Local Elections polling, April 2025, <https://lgiu.org/wp-content/uploads/2025/04/Ipsos-UK-LGIU-Local-Elections-polling-April-2025-State-of-the-locals-session-slides.pdf>