

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3486

Integrated Settlement Outcomes Framework and allocations for 2026-27, 2027-28 and 2028-29

Programme: Building more homes, Making best use of land, Boosting London's growth sectors, Helping local economies to thrive, Accommodation and wider support for those who need it most, Supporting and inspiring young London, Supporting Londoners to benefit from growth, Improving London's housing stock and Delivering a greener, more climate-resilient London.

Executive Summary:

For the first time, the Greater London Authority (GLA) is receiving funding through an integrated settlement (IS) from the government. The Ministry of Housing, Communities and Local Government (MHCLG) has confirmed IS funding to the GLA, for 2026-27, 2027-28 and 2028-29. This settlement consolidates several previously separate grant streams into a single multi-year funding package, designed to support London's strategic priorities in housing, regeneration, skills, community integration and local economic growth.

As set out in the Autumn Budget papers, published on 27 November 2025, London's IS totals over £500 million per year, totalling over £1.7 billion across the settlement period.

MHCLG has also issued a proposed Integrated Settlement Outcomes Framework, which sets out the required metrics, reporting arrangements and performance indicators. This has been subject to negotiation between the GLA and the different government departments providing funding into the settlement.

To accept the funding, the GLA must adopt this framework; and ensure that all delivery partners comply with associated monitoring and evaluation obligations.

Decision:

That the Mayor:

- i. approves acceptance of the GLA's Integrated Settlement (IS) funding for 2026-27, 2027-28 and 2028-29 (as confirmed by the Ministry of Housing, Communities and Local Government (MHCLG)), and its incorporation into the GLA's approved revenue and capital budget allocations (as set out in Appendix 2)
- ii. approves the adoption of the MHCLG Integrated Settlement Outcomes Framework as the basis for monitoring, evaluation, and reporting for all programmes supported by the integrated settlement (as set out in Appendix 1) and a delegation of authority to relevant delivery programme Senior Responsible Owners (SRO) to agree the outstanding contents of the Outcomes Framework
- iii. agrees that SROs of strategic programmes that will receive IS funds (further to Decision 1 above) be delegated authority to use those IS funds to incur expenditure in accordance with Appendix 2 on the same basis and conditions upon which those SROs have been delegated authority to incur expenditure on those strategic programmes in the Mayoral Decisions approving those strategic programmes and their associated delivery plans.

Mayor of London

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:



Date:

15/04/26

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. For the first time, the Greater London Authority (GLA) is receiving funding through an integrated settlement (IS) from the government. The Ministry of Housing, Communities and Local Government (MHCLG) has confirmed the allocation of IS funding for 2026-27, 2027-28 and 2028-29 to the GLA. This settlement consolidates several previously separate grant streams into a single multi-year funding package, designed to support London's strategic priorities in housing, regeneration, community integration and local economic growth.
- 1.2. As set out in the Autumn Budget papers, published on 27 November 2025, London's IS totals just over £500 million per year, amounting to over £1.7 billion across the settlement period, comprising approximately 25 per cent capital and 75 per cent revenue funding. The final amounts are set out in Appendix 2, Table 1.
- 1.3. MHCLG has introduced the IS as part of a national shift toward multi-year, consolidated funding arrangements for local and regional authorities. This settlement brings together several existing funding lines, including those supporting regeneration, community cohesion, local economic development, and place-based interventions.
- 1.4. To ensure consistency and accountability across England, MHCLG has required that all participants must agree an Outcomes Framework. This sets out the required metrics; reporting arrangements; and performance indicators for each theme within the funding. This framework has been negotiated by GLA officers and the relevant government departments.
- 1.5. The proposed Outcomes Framework (Appendix 1) sets out:
 - thematic policy areas with outcomes reflecting the GLA's functional responsibilities under the IS:
 - economic development
 - skills and employment
 - housing
 - health, wellbeing and public service reform
 - environment
 - underlying outcome indicators as the primary accountability mechanism under each theme, supplemented by shorter-term output indicators where there is a lag between intervention and a measurable effect on outcomes
 - targets for each indicator to March 2029, agreed between the GLA and central government, with annual trajectories and a baseline position where applicable.
- 1.6. The GLA has negotiated the framework; and considers it compatible with existing monitoring systems, and with the Mayor's strategic programmes. There are a small number of provisions within the Outcomes Framework that are to be finalised, and which are relatively minor in substance. The GLA's receipt of the IS funding is not contingent upon those provisions. The Mayor is asked to delegate authority to relevant delivery programme Senior Responsible Owners (SRO) to agree the outstanding contents of the Outcomes Framework, as identified in Appendix 1.
- 1.7. Appendix 2 provides an overview of the funds and the strategic programmes to which they align.

- 1.8. As part of the ongoing governance arrangements for the IS there is a requirement to attend MHCLG's IS Programme Board. These are six-monthly oversight groups that provide formal governance for the IS. They bring together GLA officers; senior MHCLG officials; representatives from other involved government departments; and other senior leaders. Their purpose is to review delivery progress; monitor financial performance; assess risks; and ensure accountability for the outcomes agreed as part of the settlement. The Programme Board acts as the main mechanism for IS-related structured dialogue between central government and strategic authorities such as the GLA, ensuring that funding is being used effectively; and that any issues affecting delivery are identified and addressed early.
- 1.9. It should be noted that projects funded by the Adult Skills Fund (ASF) are subject to an additional governance arrangement. ASF-related decisions are taken pursuant to a delegation from the Secretary of State for Education to the Mayor under section 39A of the GLA Act 1999 (GLA Act) and cannot be delegated by the Mayor (see: section 39A(6) of the GLA Act). Therefore, the exceptions to officer delegations set out in Mayoral Decision (MD) 3395: Supporting Londoners to Benefit from Growth Delivery Plan, apply equally to ASF-related IS funding. However, the English Devolution and Communities Bill ("the Bill") provides for the ASF functions that are currently delegated pursuant to section 39A of the GLA Act to the Mayor of London, to be a devolved function of the Mayor of London. If the Bill receives Royal Assent, and once the relevant sections of the Bill are in force, the Mayor will be able to delegate the exercise of ASF-related decisions. Until such point as the relevant sections are in force, the GLA will retain in place the measures agreed with government for the exercise of decisions relating to the Adult Skills Fund.
- 1.10. It should be noted that the receipt of funding for Warm Homes: Social Housing Fund has been included within the scope of this MD and the funding detailed in Appendix 2. This funding is expected to be received in May 2026 instead of April 2026.

2. Objectives and expected outcomes

- 2.1. Acceptance of the funding and framework will enable the GLA to:
 - deliver integrated, multi-year programmes aligned with the Mayor's strategic priorities
 - provide more stable and predictable funding to boroughs and delivery partners
 - strengthen evidence-based decision-making through consistent outcome measurement
 - demonstrate impact to MHCLG, and support future funding negotiations.
- 2.2. Providing the IS will also allow the GLA some flexibilities about how it spends this funding as set out in the government's Integrated Settlement policy document – provided it continues to meet the outcomes agreed in the Outcomes Framework. These flexibilities include the ability to move money between programmes, themes and years; and between capital and revenue. There are limits to these flexibilities; and all uses of them must be reported to the IS Programme Board (see paragraph 1.8 above).
- 2.3. As well as reporting on the exercise of these flexibilities to the IS Programme Board, the GLA will manage their use within its governance processes; in Mayoral decision-making; and in line with our financial procedures.

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, the Mayor and the GLA must comply with the public sector equality duty (PSED) and must have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and any other conduct that is prohibited by or under the Equality Act 2010
 - advance equality of opportunity between people who share a relevant protected characteristic and those who do not
 - foster good relations between people who share a relevant protected characteristic and those who do not.
- 3.2. The ‘protected characteristics’ are: age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due regard to the need to eliminate discrimination), race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation.
- 3.3. Consideration of the PSED is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken, to ensure that equalities impacts are kept under ongoing review.
- 3.4. In accordance with the PSED, officers have considered the potential impacts of the IS programmes on groups with protected characteristics. The Outcomes Framework includes indicators that support inclusive delivery; and requires monitoring of participation and outcomes across demographic groups. Delivery partners will be required to demonstrate compliance with equality obligations.

4. Other considerations

Delegations for delivery

- 4.1. Once the funding is accepted, the GLA will move into delivery.
- 4.2. Each stream of funding will be integrated into a Mayoral strategic programme. They will then be monitored and governed under the auspices of those strategic programmes; and under the authority of the Senior Responsible Owner (SRO), reporting to the Mayoral Delivery Board.
- 4.3. As such, this decision form asks the Mayor to agree that SROs of strategic programmes that will receive IS funds (further to Decision 1 above) be delegated authority to use those IS funds to incur expenditure in accordance with Appendix 2 on the same basis and conditions upon which those SROs have been delegated authority to incur expenditure on those strategic programmes in the Mayoral Decisions approving those strategic programmes and their associated delivery plans.

Key risks and issues

- 4.4. The key risks, and mitigations, are outlined in the table below:

Risk	Mitigation
Misalignment of funding with Mayoral priorities	Negotiate the Outcome Framework to ensure the GLA is comfortable with outcomes and targets. Embedding the IS into existing strategic programme governance.
Delivery partner underperformance	Ensure robust grant agreements and performance management are in place through strategic programme governance.
Non-compliance with MHCLG reporting requirements	Strengthened internal monitoring systems; and dry run of reporting approach at month three.

Links to Mayoral delivery plans and other strategies and priorities

- 4.5. Appendix 2 sets out how the IS allocations map onto each programme.

4.6. There are no conflicts of interest to declare from any officer involved in the drafting or clearance of this decision form.

5. Financial comments

5.1. The IS funding for 2026-27, 2027-28 and 2028-29 has been incorporated into the GLA's revenue and capital budgets, as appropriate, and as set out in Appendix 2. No additional GLA core funding is required to accept the settlement. We accept the funding flexibilities offered by MHCLG. All spend and funding flexibilities will be subject to standard GLA financial controls, the terms of MHCLG's grant conditions, and internal programme governance.

6. Legal comments

6.1. Under section 30(1) of the GLA Act, the Mayor – acting on behalf of the GLA – has the power to do anything that he considers will further any one or more of the GLA's principal purposes, which are:

- promoting economic development and wealth creation in Greater London
- promoting social development in Greater London
- promoting the improvement of the environment in Greater London.

6.2. In deciding whether or how to exercise the general power in section 30(1), section 30 (4) of the GLA Act requires the GLA to have regard to the effect which the proposed exercise of the power would have on:

- the health of persons in Greater London
- health inequalities between persons living in Greater London
- the achievement of sustainable development in the UK
- climate change, and the consequences of climate change.

6.3. Where the GLA exercises the power under section 30(1), pursuant to section 30(5) it must do so in the way it considers is best calculated to:

- promote improvements in the health of persons in Greater London
- promote the reduction of health inequalities between persons living in Greater London
- contribute towards the achievement of sustainable development in the UK
- contribute towards the mitigation of, or adaptation to, climate change, in the UK.

6.4. The GLA must also make arrangements with a view to securing that, in the exercise of the power in section 30(1), there is due regard to the principle that there should be equality of opportunity for all people, in accordance with section 33 of the GLA Act; and consult with such bodies or persons as the GLA may consider appropriate in this particular case in accordance with section 32 of the GLA Act.

6.5. Under section 34 of the GLA Act, the GLA, acting by the Mayor, the Assembly or both jointly, may do anything that is calculated to facilitate, or is conducive or incidental to, the exercise of any functions of the GLA exercisable by the Mayor; or, as the case may be, by the Assembly, or by both acting jointly. The foregoing sections of this report indicate that the decisions requested of the Mayor (except the ASF) concern the exercise of the GLA's powers under section 30 and section 34 of the GLA Act.

- 6.6. Under section 38 of the GLA Act, any function exercisable by the Mayor on behalf of the GLA may also be exercised by a member of the GLA's staff – albeit subject to any conditions that the Mayor sees fit to impose. To this end, the Mayor may make the requested delegations on all except ASF subject to the conditions and requirements set out in this Mayoral Decision.
- 6.7. The Secretary of State for Education delegated specific functions under the Apprenticeships, Skills, Children and Learning Act 2009 to the Mayor pursuant to section 39A of the Greater London Authority Act 1999. The Mayor approved the delegation of these functions, and the terms of and conditions attached, in MD2410 and MD3349. A particular limitation of a delegation under section 39A is that the usual power of delegation by the Mayor is not available in respect of section 39A delegated functions.
- 6.8. Section 31 of the GLA Act places limits on the GLA's general power; and prohibits the GLA from incurring spend on anything that may be done by TfL, MOPAC or the LFC.
- 6.9. In taking the decisions requested of him, the Mayor must have due regard to the PSED contained in section 149 of the Equality Act 2010. To this end, the Mayor should have particular regard to section three (above) of this report.
- 6.10. If the Mayor makes the decisions sought, and SROs obtain delegated authority to incur expenditure using IS funds, SROs / GLA officers must ensure that where expenditure:
- concerns the purchase of services: they are procured in accordance with the GLA's Contracts and Funding Code (the "Code") and where applicable the Procurement Act 2023 (the "Act"); there is appropriate engagement with Transport for London's procurement and supply chain team, which will determine the detail of the procurement strategy to be adopted in accordance with the Code and the Act; and appropriate contractual documentation is put in place and executed by the chosen service provider and GLA before the commencement of those services
 - concerns the award of grant funding: such awards are made fairly, transparently, in accordance with the GLA's equalities requirements and with the requirements of GLA's Contracts and Funding Code and funding agreements are put in place between and executed by the GLA and recipients before any commitment to fund is made.
- 6.11. Where any exercise of that delegated authority involves the making of commitments which extend beyond the current Mayoral term, SROs / officers must ensure that the terms of all agreements entered into concerning such commitments do not have the effect of fettering the discretion of any successor administration, considering in particular the London elections taking place in May 2028. Accordingly, officers must ensure that all agreements which involve making such commitments include a GLA right to terminate at any point for convenience (at no cost to the GLA) and are managed in such a manner, and any services, supplies, works deliverables, milestones and/or output requirements are structured so as to mitigate risks of the GLA incurring abortive expenditure (which might be reasonably be taken to fetter, practically, the exercise of such discretion).
- 6.12. If the Mayor makes the decisions sought, the relevant SROs must comply with the obligations set out in The Openness of Local Government Bodies Regulations 2014 when taking decisions in accordance with the delegations set out in this decision form. In particular regulation 7 which provides that where a decision has been delegated to an officer either (a) under a specific express authorisation or (b) under a general authorisation and the effect of the decision is to award a contract or incur expenditure which, in either case, materially affects the GLA's financial position, the officer to whom the delegation has been made must produce a written record of the decision (regulation 7(1) and (2)). Regulation 7(3) provides that the written record must be produced as soon as reasonably practicable after the decision has been taken and must contain the date the decision was taken, a record of the decision taken with reasons, details of options considered and rejected, if any, and where a decision is delegated under a specific express authorisation, any conflicts of interest. Regulation 8 provides that the written record, together with any background papers, must as soon as reasonably practicable after

the record is made, be made available for inspection by members of the public including on the GLA's website.

7. Planned delivery approach and next steps

7.1. The work will be delivered according to the following timetable:

Activity	Timeline
Outcome Framework published by MHCLG	15 April 2026
IS funds released to Mayoral Strategic Authorities and the GLA	15 April 2026
Internal delivery and monitoring to commence	16 April 2026
Six-monthly MHCLG programme board reporting commences	1 October 2026

Appendices and supporting papers:

- Appendix 1 - Integrated Settlement Outcomes Framework
- Appendix 2 - Table of allocations and relationship to strategic programmes

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

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. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Strategic Programmes

Does this decision seek approval for activity falling within the remit of a programme delivery plan? YES

If YES, which programme/s does this fall within: Multiple, as listed on front page

Part 1 - Deferral

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

Part 2 – Sensitive information

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

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Michelle Wells has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Chandru Dissanayake has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Richard Watts has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

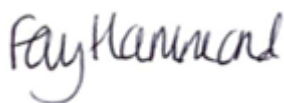
✓

Mayoral Delivery Board

This decision was agreed by the Mayoral Delivery Board on 7 April 2026.

CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.



Date 10 April 2026

Signature

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor



Date 10 April 2026

Signature