

2025-26 GLA Budget

Budget materials and calculator

Key information

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Introduction

The Mayor is responsible for a total budget of £20.7bn and is responsible for allocating funds for the Greater London Authority (GLA) and its functional bodies, which include the GLA, Transport for London, Mayor's Office for Policing and Crime and the London Fire Commissioner.

The Budget and Performance Committee leads scrutiny of the Mayor's budget delivery, examining the allocated budget for each functional body.

Investigation aims and objectives (Terms of Reference)

The aims of the Committee's 2025-26 Budget Scrutiny process are:

- To interrogate the financial position and challenges of the GLA Group and individual Functional Bodies
- To examine the Mayor's budget proposals, considering strengths and weaknesses, risks, gaps, feasibility, expert views and implications for the lives of Londoners including equalities
- To examine how the funding allocations support delivery of the Mayor's manifesto/objectives. To consider any new funding initiatives for 2024-25 and their policy implications
- To inform any recommendations for changes to the Mayor's budget.

This is consistent with the Committee's terms of reference. The Budget scrutiny process will be largely based around the budget submissions that will be received from the GLA and functional bodies in November 2024.

Key issues

The following issues were identified in last year's budget scrutiny process and from a review of the quarterly performance reports since the 2024-25 budget was published. These themes are likely to feature in these budget submissions and are expected to be a key focus of the scrutiny process.

GLA Group

- The new, mission-driven government has set out its ambitions to deliver a decade of national renewal through five missions.¹ The Deputy Prime Minister has written to the Mayor requesting that London begins work on a Growth Plan, which the GLA, London Councils and London & Partners have begun, in consultation with businesses and boroughs.²

GLA:Mayor

- The 2024-25 GLA:Mayor budget saw the replacement of the Mayor's Recovery Missions structure with a set of ten Themes of which two Transport and Safety are covered by MOPAC and TfL. The eight that are associated with the GLA:Mayor budget are: Housing, Social Justice, Environment, Health, Skills, Children and Young People, Economy, and Global City and Culture.
- The Committee has previously expressed concerns about the GLA-owned Crystal Palace National Sports Centre including maintenance issues that have resulted in partial closures and safety concerns.³ The Mayor has already committed to comprehensively redeveloping the site, including a complete rebuild of the swimming pools' structure and improved sporting facilities.⁴ However the Q1 2024-25 Performance report highlights that capital expenditure anticipated in 2024-25 has been reprofiled into future years.

Affordable housing

- The 2024-25 Budget included capital expenditure of £703 million for the 2021-26 Affordable Homes Programme (AHP 21-26).⁵ The Committee wrote to the Mayor on 25 January 2024 on the '*very little detail included in the draft 2024-25 GLA:Mayor budget to underpin the £703 million it allocates for 2024-25 for the Affordable Housing Programme (2021-26)*'.⁶ The Mayor's response stated '*there is uncertainty around housing delivery because of viability pressures arising from cost inflation and interest rate rises, changes in the regulatory environment, government policy changes, impact of planning reform, delays to clear guidance leading to costs rising to implement building safety, and resource constraints for local housing providers in the current macro-economic environment*'.⁷ No further detail on the AHP 21-26 was made available.
- The annual budget for the AHP 21-26 in the current year (2024-25) was expected to be £703 million. However, the 2024-25 Q1 performance report (published in August) shows that this annual budget has since been halved to £347 million, which the GLA explains is due to issues in the housing sector that are '*hindering construction nationwide and are disproportionately affecting London*'.⁸

The Mayor's Office for Policing and Crime (MOPAC)

- At the end of the 2023-24 financial year, the Metropolitan Police Service (MPS) had the full-time equivalent (FTE) of 34,017 police officers. This was a decrease of 486 from the end of 2022-23.⁹ This year-end total was 1,398 officers below that required for the Government's Police Uplift Programme.¹⁰ As a result of this target not being met, the Home Office has continued to withhold specific grant funding

intended to pay for the expansion of the MPS pool of officers.¹¹

Transport for London (TfL)

- The TfL operating surplus was £138 million for 2023-24. This is the first time TfL has generated an operating surplus since it was set up in 2000. The surplus includes Government revenue funding of £188 million¹² and removing for £42 million¹³ of 'exceptional costs' to give an underlying surplus of only £19 million or 0.2 per cent of TfL's 2023-24 operating cost budget.¹⁴ TfL remains reliant on fares revenue to fund its operations following the end of Government revenue support for TfL.¹⁵ The TfL Q1 2024-25 Performance Report highlights that passenger growth and fares income are less than anticipated in the 2024-25 Budget.

Key questions

1. What are the key priorities and changes in the Mayor's budget proposals for the next financial year, and what are the implications for services, council tax and outcomes for Londoners?
2. How deliverable is the 2025-26 Budget for the GLA Group based on 2024-25 performance? What are the key risks to delivering the 2025-26 Budget and what are the mitigations?
3. Does the 2025-26 Budget deliver value for money and what are the options for further savings and efficiencies?
4. What are the processes that ensure that the 2025-26 Budget delivers for all Londoners and is an appropriate budget from an equality's perspective?
5. What impact will the Climate Budget have on the 2025-26 Budget?

Functional Bodies Budget Submissions

You can read the key highlights from the budget submissions and read the submissions in full below.

[GLA: Mayor](#)
[Transport for London](#)
[MOPAC / MPS](#)
[London Fire Commissioner](#)

¹ [Keir Starmer promises to kick off "decade of national renewal" as he sets out plan to "get Britain's future back" – The Labour Party](#)

² [06 London response to Government missions paper.pdf](#)

³ [Crystal Palace Stadium: Parts of centre reopen following safety concerns - BBC News](#), 26 November 2022

⁴ [Mayor announces planned improvements to historic Crystal Palace National Sports Centre | London City Hall](#), 26 May 2023

⁵ [2024-25 Capital Spending Plan](#)

⁶ [Letter to the Mayor on the Housing Budget](#), 25 January 2024

⁷ [GLA Letter Template \(london.gov.uk\)](#), 8 March 2024

⁸ [App1. Q1 24-25 GLA Finance Report.pdf \(london.gov.uk\)](#)

⁹ P.4, [MOPAC Quarterly Report Q4 2023/24](#)

¹⁰ 6.11, [MOPAC/MPS Budget Submission 2024/25 to 2026/27](#), 1,398 = 35,415 - 34,017

11 P.9, [London Assembly Budget and Performance Committee - 12 July 2023: Transcript of Agenda Item 4 - 2022-23 GLA Group Outturn: Panel 1 – Mayor’s Office for Policing and Crime \(MOPAC\) and the Metropolitan Police Service \(MPS\)](#)

12 P.7, Transport for London quarterly performance report, Quarter 4 2023/24

13 P.5, [Finance Report Quarter 4, 2023/24: Management results from 1 April 2023 – 31 March 2024](#) (TFL) [12 June 2024]

14 P.5, Transport for London quarterly performance report, Quarter 4 2023/24 (June 2024), 0.2% ?
(19/7,888)*100 = 19/(Table: “Income Statement”, Column: “Full Year Budget”, Row: “Operating Cost”)

15 P.5, [Finance Report Quarter 4, 2023/24: Management results from 1 April 2023 – 31 March 2024](#) (TFL) [12 June 2024]

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