

# 2026-27 GLA Budget

Photo of London with budgeting materials layered on top

## Key information

Publication type: Current investigation

Publication status: Adopted

Publication date: Friday 21 November 2025

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## Introduction

The Mayor is responsible for a total budget of £20.7 billion 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 2026-27 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. To consider any new funding initiatives for 2026-27 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 2025.

## 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 2025–26 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

Uncertainty over funding levels has always been a challenge to the annual budget process both from a production and scrutiny perspective. The level of uncertainty will be greater for this year's process as a result of the following:

- The Government's review of the business funding system which could impact the level of retained business rates for the GLA.
- At the Spending Review, the Government confirmed that the GLA will receive an integrated settlement from 2026–27. The level of funding is not yet clear.
- The Government's Autumn Statement will take place later than usual on 26 November 2025. This is after the submission of the draft 2026–27 budgets from the GLA and functional bodies.
- The Government's priorities were highlighted in its Spending Review announced on 11 June 2025. The Mayor described the Government's spending plans as mixture of:
  1. good – £2.2 billion funding for TfL and higher funding for Police
  2. bad – that there is no support for new transport infrastructure in London
  3. ugly – that it is a "a colossal mistake in pitting London against the rest of the country."
- The Chancellor committed to a £39 billion investment over ten years in affordable and social housing. Despite the higher policing funding, the Met is planning on closing police station counters in a move that contradicts the Mayor's 2024 manifesto.

### 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 and MOPAC, respectively. 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 GLA is now bringing forward for approval delivery plans for 14 strategic, high-level, programmes which are led by the GLA. The remainder are led by the functional bodies. This year has seen the gradual

publication of Mandates and Delivery Plans to support delivery against these themes. The delivery plans are:

1. [Building more homes](#)
  2. Making best use of land
  3. [Improving London's housing stock](#)
  4. Reducing inequalities
  5. [Accommodation and wider support for those who need it most](#)
  6. Reducing non-residential emissions
  7. [Delivering a greener, more climate-resilient London](#)
  8. [Cleaning London's air](#)
  9. Supporting Londoners to benefit from growth
  10. [Supporting and inspiring young London](#)
  11. Boosting London's growth sectors
  12. Helping local economies to thrive
  13. [Upgrading London's infrastructure](#)
  14. Celebrating London [Supporting community, cultural and sporting events in London](#)
  15. Reducing violence and exploitation
  16. Building safer, more confident communities
  17. Supporting and overseeing reform of the Metropolitan Police Service (MPS)
  18. Improving the Criminal Justice System and supporting victims
  19. Healthy streets
  20. Decarbonising transport
  21. Providing more effective, accessible and affordable public transport.
- The Committee has previously expressed concerns about the London Stadium and the lack of a naming rights deal that could save Londoners money. The ownership of the London Stadium was transferred to the GLA from LLDC in March 2025.

## **Affordable housing**

- Next year will be the last year for starts under the Affordable Homes Programme 2021–2026 (AHP 21–26). The target number of starts was cut from an initial target of 35,000 to a range of 23,900 to 27,1003 and then to 17,800 to 19,000 in May 2025.
- Under the previous AHP 16–23 the Mayor was allocated £4.82 billion and delivered 116,782 starts at an average subsidy of £41,273 per home. The Mayor was allocated £4 billion for the AHP 21-26. If the Mayor delivers at the top end of his range this will represent a subsidy of £210,526 per home.
- By the end of June 2025 5,500 starts<sup>5</sup> has been achieved under the AHP 21–26 in 27 months, with a minimum of 12,300 required in 21 months to achieve the lower target.
- The government has said London needs 88,000 new homes per year. The Mayor's new London Plan will need to identify the capacity to deliver 880,000 homes over 10 years.
- The annual budget for the AHP 21–26 in the current year (2025–26) was expected to be £1,069 million. However, the 2025–26 Q1 performance report (published in August) shows that this annual budget has since been increased by £311 million or 29 per cent to £1,380 million, which the GLA explains is "additional allocation and reprofiled spending".

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

- On 10 December 2024, the Met Commissioner said, "Based on an assessment of the Budget pressures agreed with the Mayor, the MPS has a budget gap of £450 million between our requirement and the budget for 2025–26." This £450 million funding gap was not referenced in MOPAC's 2025–26 budget submission.
- The Commissioner stated that 'tough choices' stemming from this budget gap could mean a reduction of "2,300 officers policing London, along with 400 staff, having a seriously detrimental impact." In his manifesto, the Mayor pledged to "Work with a Labour government to put an extra 1,300 neighbourhood police officers and PCSOs on the streets."
- There was no reference to the £260 million budget gap in the Q1 2025–26 forecast that featured in extraordinary police counters Plenary. MOPAC confirmed afterwards that the gap was in 2025–26.

## **Transport for London (TfL)**

- The TfL operating surplus has become a key indicator of its financial health that is valued by this Committee and is frequently referred to by the Mayor and TfL. It captures in a single figure TfL's ability to raise income and control operating costs. In April 2025 the Committee wrote to the Mayor to recommend that TfL should present its projected operating surplus in its budget submissions from 2026–27 onwards.
- TfL's ambition is to generate an operating surplus each year which it can invest in transport infrastructure. This operating surplus is currently dependent on the retention of £2.2 billion of Business Rates which could be impacted by the Government's current Fair Funding review. Professor Tony Travers suggested that the review could be negative from a TfL funding perspective.
- The TfL 2025–26 Budget has an in-year net expenditure increase of c.£250 million since it was approved by the Mayor and London Assembly. Half of this increase is higher staff costs. It has coincided with TfL's capital renewals for 2025–26 being cut by £300 million or 27 per cent. This could result in less reliable services and more bridge safety closures.

## **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 2026–27 Budget for the GLA Group based on 2025-26 performance? What are the key risks to delivering the 2026-27 Budget and what are the mitigations?

3. Does the 2026–27 Budget deliver value for money and what are the options for further savings and efficiencies?
4. What are the processes that ensure that the 2026–27 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 2026–27 Budget?

## Functional Bodies Budget Submissions

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

[GLA:Mayor](#)

[LFC Budget Submission 2026-27](#)

[MOPAC/MPS](#)

[TfL](#)

[OPDC](#)

[LLDC](#)

[OSDC](#)

## 2026-27 Budget meetings

Meeting Date	Meeting Topic
21 October 2025	<a href="#">External view of 2026–27 GLA Budget priorities</a>
18 November 2025	<a href="#">GLA:Mayor 2026–27 Budget</a>
1 December 2025	<a href="#">LFC 2026–27 Budget</a>
10 December 2025	<a href="#">MOPAC 2026–27 Budget</a>
16 December 2025	<a href="#">TfL 2026–27 Budget</a>
6 January 2026	<a href="#">Affordable housing 2026-27 Budget</a>
7 January 2026	<a href="#">GLA Officers 2026–27 Budget</a>
26 January 2026	<a href="#">GLA group 2026–27 Budget – Mayor/Draft consolidated budget</a>
25 February 2026	<a href="#">GLA group 2026–27 Budget – Mayor/Final draft consolidated budget</a>

## 2026-27 Recommendations and publications

The **London Assembly Budget and Performance Committee** has written a [letter](#) of on the Draft 2026-27 GLA:Mayor Budget

The **London Assembly Budget and Performance Committee** has written a [letter](#) on the Affordable Housing in the 2026-27 Budget

The **London Assembly Budget and Performance Committee** has written a [letter](#) on the 2026-27 Budget

The **London Assembly Budget and Performance Committee** has [written to the Mayor of London](#) with recommendations ahead of the 2026–27 annual budget scrutiny process.

The **London Assembly Budget and Performance Committee** has written [a letter to the Mayor of London on the Draft 2026-27 London Fire Commissioner’s \(LFC\) Budget](#).

The **London Assembly Budget and Performance Committee** has [written to the Mayor about the 2026-27 MOPAC Budget](#).

The **London Assembly Budget and Performance Committee** has written [a letter to the Mayor of London regarding TfL’s draft 2026-27 budget](#).

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