

MDA No.: 1571

Title: Draft GLA: Mayor Budget 2024-25

1. Executive Summary

1.1 At the Budget & Performance meeting on 21 November 2023 the Committee resolved that:

Authority be delegated to the Chairman, in consultation with the Deputy Chair and party Group Lead Members, to agree any output arising from the discussion.

1.2 Following consultation with party Group Lead Members, the Chairman agreed the Committee's letter to the Mayor of London regarding the Draft GLA: Mayor Budget 2024-25, as attached at **Appendix 1**.

2. Decision

2.1 **That the Chairman, in consultation with the Deputy Chair and party Group Lead Members, agrees the Committee's letter to the Mayor of London regarding the Draft GLA: Mayor Budget 2024-25, as attached at Appendix 1.**

Assembly Member

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:



Printed Name: **Neil Garratt AM, Chairman of the Budget & Performance Committee**

Date: **4 December 2023**

3. Decision by an Assembly Member under Delegated Authority

Background and proposed next steps:

- 3.1 The terms of reference for this investigation were agreed by the Chairman, in consultation with party Lead Group Members and the Deputy Chair, under the standing authority granted to Chairs of Committees and Sub-Committees. Officers confirm that the report and its recommendations fall within these terms of reference.
- 3.2 The exercise of delegated authority approving the report will be formally noted at the Budget & Performance Committee's next appropriate meeting.

Confirmation that appropriate delegated authority exists for this decision:

Signature (Committee Services): Paul Goodchild

Printed Name: Paul Goodchild

Date: 1 December 2023

Telephone Number: 07842 600832

Financial Implications: NOT REQUIRED

Note: Finance comments and signature are required only where there are financial implications arising or the potential for financial implications.

Signature (Finance): Not Required

Printed Name:

Date:

Telephone Number:

Legal Implications:

The Chairman of the Budget & Performance Committee has the power to make the decision set out in this report.

Signature (Legal):



Printed Name: Rebecca Arnold, Deputy Monitoring Officer

Date: 4 December 2023

Email: rebecca.arnold@london.gov.uk

Supporting Detail / List of Consultees:

- Krupesh Hirani AM;
- Caroline Russell AM;
- Caroline Pidgeon MBE AM.

4. Public Access to Information

- 4.1 Information in this form (Part 1) is subject to the FoIA, or the EIR and will be made available on the GLA Website, usually within one working day of approval.
- 4.2 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.
- 4.3 **Note:** this form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral:

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

If yes, until what date:

Part 2 – Sensitive Information:

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

Is there a part 2 form? NO

Lead Officer / Author

Signature: Gino Brand

Printed Name: Gino Brand

Job Title: Senior Policy Adviser

Date: 1 December 2023

Telephone Number: 07511 213765

Countersigned by Executive Director:

Signature:

A handwritten signature in black ink, appearing to read 'Helen Ewen', written in a cursive style.

Printed Name: Helen Ewen

Date: 1 December 2023

Telephone Number: 07729 108986



Neil Garratt AM
Chairman of the Budget and Performance Committee

Sadiq Khan
Mayor of London
(Sent by email)

4 December 2023

Dear Mr Mayor

I am writing to you on behalf of the Budget and Performance Committee, following the Budget and Performance Committee meeting on Tuesday, 21 November. This letter is part of our Committee's changed approach to its Budget work, aiming to provide timely scrutiny and recommendations throughout the process.

During the meeting, we spoke with representatives from the GLA about the GLA:Mayor Budget 2024-25. The Budget and Performance Committee remains committed to fostering a transparent and accountable financial framework through the effective scrutiny of the GLA's finances. The six recommendations in this letter are intended to support and improve the coming drafts of your Budget for 2024-25, as well as seek clarity over the future of specific programmes.

Structure of the budget - missions and themes

The draft GLA:Mayor 2024-25 Budget has adopted a new structure. The three previous budgets have been structured around the framework of recovery missions and foundations, as established in 2021-22 to support the work of the GLA and its key partners in securing London's recovery from COVID-19. The new structure sets out activity across ten themes, instead.

The draft GLA:Mayor 2024-25 Budget provides mapping of how the missions fit into the themes in Appendices A and C.¹ This mapping was necessary to compare spending plans year on year, so we appreciate its inclusion in the budget information.

However, Appendix A only shows net expenditure, which means that fully funded programmes do not appear in the mapping. This is possibly the reason that mapping from missions to themes in this table does not perfectly match the mapping from missions to themes in the commentary. For example, according to Appendix A the *Children and Young People* Theme is mapped to three missions, however the supporting commentary states that the *Children and Young People* theme is mapped to five missions.² The Committee requests that the Draft Consolidated Budget in December includes a table like the one in Appendix A, but based on gross expenditure to show a more complete picture.

The Committee also found the figures published in Appendix C to be challenging in terms of comparison between years due to the use of the 'Plan' rather than the 'Budget' numbers– we will ask Committee staff to engage with your officials to clarify this and request a revised version of this table in the Draft Consolidated Budget in December.³

The Committee sought assurance at the meeting that the new structure will allow for scrutiny of the delivery of existing missions and we were encouraged to hear your Deputy Chief of Staff confirming that *“the missions [...] will still be there in the papers for next year to give you that sense of continuity up to their agreed endpoint.”*⁴

Recommendation

- 1. The Committee recommends that in the 2024-25 Consultation Budget published in December, the tables shown in Appendices A and C are revised to improve the presentation of the change from missions to themes and allow effective scrutiny.**

Draft budget error – staff costs

The GLA:Mayor 2024-25 Budget shows that staff costs are expected to increase from £87.8 million in 2023-24 to £106.5 million in 2024-25, an increase of 21 per cent.⁵ The draft GLA:Mayor 2024-25 Budget also stated funding is included for a pay award equivalent to 4 per cent for all staff.⁶

We sought clarification about what accounted for this increase and were told that this figure is the result of an error. The Chief Officer explained that *“We do not think that number is right in*

¹ [Draft GLA Mayor Budget 2024-25](#), 13 November 2023, p 52 and p.54

² [Draft GLA Mayor Budget 2024-25](#), 13 November 2023, p 27-28

³ [Draft GLA Mayor Budget 2024-25](#), 13 November 2023, p 54

⁴ GLA Budget and Performance Committee Meeting, November 2023 (Transcript), p3

⁵ [Draft GLA Mayor Budget 2024-25](#), 13 November 2023, p 58

⁶ [Draft GLA Mayor Budget 2024-25](#), 13 November 2023, p 44

*the subjective analysis and we are burying ourselves in the detail to understand why*⁷ adding that *“we think something has been miscoded to staffing along the way”*. The Chief Officer said that the error does not *“undermine in any way our confidence in the overall numbers”*.⁸

The Committee recognises the scale of the task in putting these budgets together and the efforts of officers to rapidly identify and fix the error, but we are concerned that the draft budget was published with an error of this scale with a high profile figure, which is a key component when assessing the efficiency of the GLA. The Committee is concerned that the budget could contain further errors.

Recommendation

- 2. The Committee recommends that the staffing costs error is rectified in your Consultation Budget, accompanied by a clear explanation of how the error occurred, confirmation that there are no further errors and the steps that have been taken to prevent similar errors in the future.**

Climate budgeting- Planning for Level 3 emissions reporting

Climate emissions reporting is complex. You plan to move in future from ‘Level 2 emissions reporting’ in 2024-25 to ‘Level 3 emissions reporting’ in future, as part of your climate budgeting plans. This will be challenging.

Caroline Russell AM reminded the Committee that *“One of the pieces of advice from Professor Carly McLachlan from the Tyndall Centre, who spoke to us in September was that when you get to level 3, i.e. the scope 3 emissions in 2025-26, the carbon accounting is going to become much more difficult and we may need some external support with that.”*⁹

Your Budget Guidance in July 2023 included a planned date for adopting ‘Level 3 emissions reporting’ from 2025-26 onwards.¹⁰ However, the draft GLA:Mayor 2024-25 budget published in November did not include this planned date for adoption. The Committee was concerned to hear the Executive Director for Good Growth advise regarding timing for milestones *“I’m afraid I am going to say it is work in progress”*.¹¹

The Committee would like to see more clarity and certainty provided around how future climate budgeting will be carried out and what planning is in place to enable Level 3 reporting, including when and how any external support will be acquired.

⁷ GLA Budget and Performance Committee Meeting, November 2023 (Transcript), p5

⁸ GLA Budget and Performance Committee Meeting, November 2023 (Transcript), p5

⁹ GLA Budget and Performance Committee Meeting, November 2023 (Transcript), p8

¹⁰ [2024-25 Budget Guidance](#), 14 July 2023, P27

¹¹ GLA Budget and Performance Committee Meeting 2023, p8

Recommendation

- 3. The Committee recommends that the target date for including Level 3 emissions reporting is reconfirmed, along with an outline plan to incorporate the complexities of Level 3 emission reporting in the forthcoming GLA Consultation Budget.**

Uplift to Income Maximisation Programme

The 'Uplift to Income Maximisation Programme' provides advice to Londoners on maximising their income from central and local government support they are entitled to. The Programme was funded by £4.6 million in 2023-24, but it does not appear in the 2024-25 Budget.

The Committee asked about the impact of the programme and was pleased to hear from the GLA's Executive Director for Communities and Social Policy that *"the programme was very successful"*¹² and that *around 8,000*¹³ Londoners had been supported by the programme.

He was not able to provide clarity about whether the programme will be continued next year, explaining that *"this is a draft budget and we do not know how much funding is going to come in in February [2024] or later down the line so it should be looked at through that lens"*. He went on to say *"a decision has not been made but, for the purpose of this budget, this is a programme that we have not been able to say is going to continue next year."*¹⁴

In light of the success of the programme and the continuing cost of living challenges many Londoners are facing, the Committee thinks it would be wise to consider continuing the programme to allow more Londoners to benefit.

Recommendation

- 4. The Committee recommends that you consider extending the Income Maximisation Programme, enabling it to support more Londoners, should further funding become available.**

Universal Free School Meals programme

The draft GLA:Mayor Budget 2024-25 includes £42 million for the Universal Free School Meals programme to complete the current academic year.¹⁵ We questioned whether the programme will be continued and whether there are plans to extend its scope.

¹² GLA Budget and Performance Committee Meeting, November 2023 (Transcript), p18

¹³ GLA Budget and Performance Committee Meeting, November 2023 (Transcript), p18

¹⁴ GLA Budget and Performance Committee Meeting, November 2023 (Transcript), p18

¹⁵ [Draft GLA Mayor Budget 2024-25](#), 13 November 2023, p29

Your Deputy Chief of Staff, Richard Watts, confirmed that a decision had not been made on the future of the programme, explaining “*the Mayor thinks this is a success, he would like to do it, but we have no idea yet whether we have the money to do so.*”¹⁶

It was acknowledged at the meeting that implementing the programme required significant work from boroughs. We also discussed how any decision to extend the programme for a second year would have to be made before an evaluation is conducted on the first year’s operation.¹⁷ We accept this timing is challenging for decision making, however, the Committee believes that an earlier announcement will help the boroughs with their planning.

Recommendation

- 5. The Committee recommends that you confirm your intention for the future of the Free School Meals programme as early as possible. We also recommend that the idea is costed and details set out in an annex to your December Consultation Budget even if funding for the programme cannot be confirmed by then, so that it can receive due scrutiny in advance of any confirmation of funding.**

Re-development of the Crystal Palace National Sports Centre

The Committee has long held concerns about this GLA-owned asset. As such, we were encouraged to hear about the plans to re-develop it. Your Deputy Chief of Staff confirmed that “*a major round of construction work*” is due to start soon.¹⁸

Some detail on the costs of this project was provided at the meeting, with your Deputy Chief of Staff and that “*the budget historically was £58 million. That was the 2018 budget. That is clearly not realistic in the current circumstances*”.¹⁹ He further explained that plans to decarbonise the Centre will “*take the budget up further*”.²⁰

The Committee would welcome further details on the planned re-development.

Recommendation

- 6. The Committee recommends that the December Draft Consultation Budget sets out the current anticipated costs, funding and timing for the project to re-develop the Crystal Palace National Sports Centre.**

¹⁶ GLA Budget and Performance Committee Meeting, November 2023 (Transcript), p28

¹⁷ GLA Budget and Performance Committee Meeting, November 2023 (Transcript), p29

¹⁸ GLA Budget and Performance Committee Meeting, November 2023 (Transcript), p44

¹⁹ GLA Budget and Performance Committee Meeting, November 2023 (Transcript), p44

²⁰ GLA Budget and Performance Committee Meeting, November 2023 (Transcript), p44

UK Shared Prosperity Fund

The draft GLA:Mayor Budget 2024-25 includes £72.5 million of expenditure funded from the UK Shared Prosperity Fund (UKSPF). The GLA is managing the £144 million UKSPF allocation for the three-year period from 2022 to 2025, which is supporting capital and revenue regeneration, business support, and employment and skills activity. The Committee heard from Phil Graham, Executive Director of Good Growth that *“We are receiving about 7 per cent of the UKSPF and, clearly, London’s population is significantly in excess of that. That is lower than the share we have had in other cases. It is, basically, about 50 per cent, give or take, of what we received in terms of European funding. It is important to remember, though, that it is not just European funding that has been lost. It is those growth funds, the funding that came through the Local Enterprise Partnership structures and other things as well.”*

Recommendation

- 7. The Committee recommends that you set out in your December Consultation Budget the impact of a reduction in UKSPF funding, compared to European Social Fund funding, on the services Londoners receive.**

We appreciate the GLA officers’ attendance and engagement with the Budget and Performance Committee, and we look forward to assessing the forthcoming 2024-25 Budget. I look forward to your response to this letter by 21 December 2023.

Yours sincerely,



Neil Garratt AM

Chairman of the Budget and Performance Committee