MDA No.: 1677

Title: Greater London Authority: Mayor Budget 2025-26

1. Executive Summary

1.1 At the Budget & Performance meeting on 19 November 2024 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 Greater London Authority: Mayor Budget 2025-26, 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 Greater London Authority: Mayor Budget 2025-26, 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: **16 January 2025**

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 letter and its recommendations fall within these terms of reference.

3.2 The exercise of delegated authority approving the letter 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): Hannah Barlow, Principal Committee Manager

Printed Name: Hannah Barlow

Date: 13 January 2025

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: Rory McKenna, Monitoring Officer

Date: 16 January 2025

Email: rory.mckenna@london.gov.uk

Supporting Detail / List of Consultees:

- Krupesh Hirani AM;
- Zack Polanski AM;
- Gareth Roberts 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, Senior Policy Adviser

Date: 13 January 2025

Countersigned by Executive Director:

Signature:

Printed Name: Helen Ewen, Executive Director, Assembly Secretariat

Date: 16 January 2025

City Hall
Kamal Chunchie Way
London E16 1ZE
Tel: 020 7983 4000
www.london.gov.uk

LONDONASSEMBLY

Neil Garratt AM
Chairman of the Budget and Performance Committee

Sir Sadiq Khan
Mayor of London
(Sent by email)

17 January 2025

Dear Mr Mayor,

Re: Draft 2025-26 GLA:Mayor Budget

I am writing to you on behalf of the Budget and Performance Committee, following its meeting on Tuesday, 19 November 2024. This is the first of a series of letters on your 2025-26 Budget proposals.

The Committee appreciates that this is an early version of the budget and there are many issues that need to be resolved, including the implications of the Government's Autumn budget. It is important that the changes to the budget as it develops are made clearly and transparently. The Committee will await further details on issues raised at its meeting including assumptions on the level of business rate income and the cost of the Growth Plan.

The key issues and recommendations made by the Committee resulting from this meeting are set out below:

1. Universal Free School Meals

The Universal Free School Meals (USFM) programme was introduced in the 2023-24 Budget for the 2023-24 academic year. It provides free school meals across London for all primary school children, funded by the Mayor. This is a major programme, with several positive impacts for Londoners and their families, and its funding constituted a large amount of your final discretionary spending choices at the end of the budget process in the last two years.

The Committee welcomes this year's earlier announcement, on the day of our meeting, that Free Schools Meals will be funded for at least a further three years. The Committee is keen to understand how this will be funded and did not hear anything at the Committee meeting beyond *"the cost for UFSM will be allocated in the group budget process that is going to come up."* [1]

The recently published independent evaluation of the programme carried out by Impact on Urban Health found that:

- the policy has positive implications for the health and wellbeing of children and their parents
- the policy was popular with families and children
- the policy is helping to strengthen school communities and has positive implications for school life more widely.[2]

The evaluation did, however, highlight that:

> *"Our findings show that the funding rate per meal provided by the GLA in year 1 didn't cover the cost of providing meals in every school, even though it was higher than the per meal rates provided by national government for universal infant and means-tested free school meals. The evaluation also found that most schools appreciated the clear and transparent funding approach taken by the GLA"*[3]

The Committee notes that the cost per meal funded by the GLA under the UFSM was £2.65 in first year and £3.00 in second year. The independent review wants the funding rate to be raised to £3.16 and for this to be indexed to inflation.[4] The Government pays £2.58.[5]

It was confirmed at the 7 January 2025 Budget and Performance Committee that you still intend to extend the Universal Free School Meals scheme, you said *"that was the promise I made and it is a promise I intend to keep."*[6] The Draft Consolidated Budget published on 15 January 2025 confirmed the funding for the Universal Free School Meals scheme for the academic year 2025-26.[7]

Recommendations:

1. **The Mayor should set out in the Final Draft Consolidated Budget publication in February 2025 how much the extension of the Universal Free School Meals programme will cost for the remainder of this mayoral term, and from what source he plans for it to be funded.**

2. **By the time of the Final Draft Consolidated Budget publication in January 2025, the Mayor should set out his response to the independent review's recommendation that the national per meal funding rate should be raised to £3.16 and indexed to inflation, with additional support for smaller schools and those with higher special educational needs.**

[1] Budget and Performance Committee, 19 November 2024
[2] Impact on Urban Health, More than a meal: An independent evaluation of universal primary free school meals for children in London, November 2024
[3] P8, More than a meal: An independent evaluation of universal primary free school meals, 19 November 2024
[4] P6, More than a meal: An independent evaluation of universal primary free school meals, 19 November 2024
[5] Universal infant free school meals: 2024 to 2025, 24 June 2024
[6] Budget and Performance Committee, 8 January 2025
[7] P8, Draft Consolidated Budget, 15 January 2025

3. **The context of the Universal Free School Meals programme as part of wider food policy should be stated as part of the final budget, given the risks to other food programme funding.**

2. Pedestrianisation of Oxford Street

Every Mayor since 2002 has announced plans to pedestrianise Oxford Street, advocating for different versions and plans.[8] On 17 September 2024, you announced your own new plans to pedestrianise Oxford Street. The plans state that *"the proposals would deliver a much-improved experience for shoppers, residents, workers and tourists visiting Oxford Street and the surrounding area, returning this part of the capital to its former glory."* You also announced that you planned to implement this via a Mayoral Development Corporation (MDC). The Government indicated its support with a quote on the Mayor's press release from the Deputy Prime Minister, The Rt Hon Angela Rayner MP.[9]

When we asked about the management of the project, Richard Watts, Mayor's Deputy Chief of Staff told us that:

> *"I think we should all be very clear from the beginning of this, whilst there are elements of this which are transport-related that TfL will need to discharge for us, this is not a transport project. This is a commercial and economic project. Therefore, the overall ownership of the project will sit with the GLA, not TfL."*[10]

Your new plan is the first of the plans to pedestrianise Oxford Street to propose using a MDC for Oxford Street, which may become the planning authority for the area, and the first that involves transferring responsibility for Oxford Street from Westminster City Council to the GLA and TfL.[11]

Philip Graham, Executive Director, Good Growth went on to say:

> *"We are expecting to begin consultation in the early part of next year around the principles of the redesignation of the road which makes that possible and the establishment of a Mayoral Development Corporation (MDC). Subject to the outcome of that consultation we will be moving quickly to then go out to the public to talk about the detailed design and to move to implementation as quickly as we can."*[12]

The establishment of a Mayoral Development Corporation would not provide the Mayor with the powers required to close Oxford Street to traffic and pedestrianise the road. This would require the powers of a highway authority; at the present time, Westminster City Council is the highway authority for Oxford Street.[13] It was confirmed that this would be the plan at the Budget and Performance Committee on 8 January 2025 when you stated:

> *"The first part of the work is to redesignate that road from being a road. You will know as a leader of a council, a road that is owned by the council, to being a road that is owned by TfL, that is an approach that requires consultation. Therefore, in 2025-26 we have set aside money to do the piece work required to deal with that and to set up a DC [Development Corporation]."*[14]

---

[8] Pedestrianising Oxford Street, 1 November 2024
[9] Mayor of London, Mayor of London and government announce bold plans to transform Oxford Street, 17 September 2024
[10] Budget and Performance Committee, 19 November 2024
[11] Pedestrianising Oxford Street, 1 November 2024
[12] Budget and Performance Committee, 19 November 2024
[13] Pedestrianising Oxford Street, October 2024
[14] Budget and Performance Committee, 19 November 2024

At the same meeting you confirmed plans to fund the project when you stated:

> *"The plan is to bring in investment in relation to the street being pedestrianised in relation to the work going forward on Oxford Street. The conversations we have had, without breaching confidences, with a number of people in the private sector is a big appetite in relation to that. What you will not be seeing is big sums of money being spent from my budget in relation to that project because I am confident we will get monies from third parties."*[15]

The Committee notes that as this will be a project that will be delivered by the GLA it would expect to see the full cost reflected in the Mayor's Budget and this will be balanced by the expected receipts from third parties.

The Committee looks forward to the publication of details of the governance arrangements for the Oxford Street Scheme, plans for public consultation and overall timelines for the delivery of the pedestrianisation scheme. Within these details the Committee would expect to see an explanation of when and how third-party funding will be collected, governed and spent, any risks on revenue collection, how any required on-going funding after the changes to Oxford Street would be handled, and any process for handling future amendments to the scheme including after the end of the Mayoral Development Corporation.

Recommendations:

4. **The Committee requests clarity regarding the timelines for the two immediate aspects of the Oxford Street scheme mentioned by the Executive Director:**
   1) Will this proposed consultation in early 2025 be specifically about the creation of the Mayoral Development Corporation only?
   2) If so, when will the consultation on the design of the pedestrianisation of Oxford Street be launched?

3. National Sports Centre at Crystal Palace

As a Committee, we have taken a long-standing interest in the finances of the National Sports Centre at Crystal Palace in south London, a large sports centre and outdoor athletics stadium for which the GLA took responsibility in 2012. The Committee has long held concerns about this GLA-owned asset, especially reports that it has fallen into disrepair.[16]

At its meeting on 22 November 2022 the Committee asked Tim Steer, Executive Director of Housing and Land about getting agreements to start work on this project:

> *"It is a really complicated renovation project on a complex listed building. It is outside the GLA's usual type of project because we are there, directly responsible. There has been really good progress on that. We have gone through a really detailed and complex procurement process to appoint design and project management consultants that we will work with throughout the project to take that detailed design and programming work forward. We have recently appointed a new project director for the project, who is really going to lead on that. I am hopeful that beyond the immediate situation we have there that the longer-term future for the facility looks better, but obviously it is not going to be a quick fix."*[17]

---

[15] Budget and Performance Committee, 19 November 2024
[16] See, for example, Crystal Palace Stadium: Former home of athletics 'managed to disrepair' - BBC News, 22 November 2022
[17] GLA Budget and Performance Committee Meeting, 22 November 2022

When returning to these issues at our 19 November 2024 meeting about costs for the project and when the Centre might reopen Richard Watts told the Committee:

> *"It is a major investment in [the] Crystal Palace [National Sports Centre]. At the moment, the aim is to wholly refit/refurbish and, with the support of the GFF [Green Finance Fund], make the first-ever zero carbon for the National Sports Centre building. Phase 2, which is the stadium, is currently unfunded and we are looking to work with partners on that, but the Mayor's ambition is clearly out of this investment in that genuinely brilliant facility to get the stadium going as well. The timetable for construction is that, hopefully, we are going into a tendering process within the next few months and, for a contract of this size, that can take nine months to a year. I will come back to you with the precise programme but, again, we are looking at the whole work being finished in around 2028."* [18]

Recommendation:

5. **The Committee recommends that the Final Draft Consolidated Budget publication in February 2025, or an accompanying letter to this Committee, sets out more details on the budgetary impact of the full project to re-develop the Crystal Palace National Sports Centre. This should include:**
    a. **the amount that the GLA has spent on the Crystal Palace National Sports Centre up to this point;**
    b. **The current anticipated total costs of the redevelopment;**
    c. **The scope, expected costs and funding source for 'phase 2' funding; and**
    d. **The anticipated timeline of the redevelopment for the full project;**
    e. **The full proportion of the Green Finance Fund that will be allocated to this project.**

4. Integrated Budget Settlement for the Greater London Authority

In the Autumn Budget 2024, the Government announced that integrated settlements will be implemented for Greater Manchester and West Midlands Combined Authorities at the start of the 2025-26 financial year, and for four further Mayoral Combined Authorities (MCAs) from 2026-27 – the North East, South Yorkshire, West Yorkshire and Liverpool City Region.[19] The Government stated that it will also explore how the integrated settlement policy could be applied for to the GLA from the 2026-27 financial year onwards, taking into account the capital's unique devolution arrangements.

The Committee asked when the GLA expected to receive a multi-year settlement. Phil Graham told the Committee that:

> *"The Government said it would explore an integrated settlement as is being put in place for West Midlands and Greater Manchester for the GLA. I would expect us to be looking at how both UKSPF and any other funding for local or regional economic development was incorporated into that multi-year integrated settlement to give us as much flexibility as possible about how we can deploy it."*[20]

This would represent a significant change to the operation of the GLA and as such the Committee wishes to understand the implications for budget planning.

[18] Budget and Performance Committee, 19 November 2024
[19] Ministry of Housing, Communities and Local Government, Budget boost for housing, local growth and remediation – MHCLG in the Media (blog.gov.uk), 1 November 2024
[20] Budget and Performance Committee, 19 November 2024

Recommendation:

6. **That this Committee is consulted on any potential changes to GLA budget processes arising from a Government decision to move to a multi-year integrated settlement for the GLA and any other Government funded bodies in London.**

We appreciate the GLA officers' attendance and engagement with the Budget and Performance Committee, and we look forward to assessing the forthcoming 2025-26 Budget. I look forward to your response to this letter by 14 February 2025.

Yours sincerely,

Neil Garratt AM
Chairman of the Budget and Performance Committee