

MDA No.: 1723

Title: GLA Oversight Committee Report: Trusting London to deliver: our place in the Government's devolution reforms

1. Executive Summary

1.1 At the GLA Oversight Committee meeting on 12 June 2025 the Committee resolved that:

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

1.2 Following consultation with party Group Lead Members, the Chair agreed the Committee's report, *Trusting London to deliver: our place in the Government's devolution reforms*, as attached at **Appendix 1**.

2. Decision

2.1 **That the Chair of the GLA Oversight Committee, in consultation with the Deputy Chairman and party Group Lead Members, approves the report *Trusting London to deliver: our place in the Government's devolution reforms*.**

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: Bassam Mahfouz AM, Chair of the GLA Oversight Committee

Date: 12 September 2025

3. Decision by an Assembly Member under Delegated Authority

Background and proposed next steps:

- 3.1 The exercise of delegated authority approving the report *Trusting London to deliver: our place in the Government's devolution reforms*, will be formally noted at the GLA Oversight Committee's next appropriate meeting.

Confirmation that appropriate delegated authority exists for this decision:

Signature (Committee Services): JS

Printed Name: Judith Smyth

Date: 11 September 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:

Legal Implications:

The Chair of the GLA Oversight Committee has the power to make the decision set out in this report.

Signature (Legal): 

Printed Name: Rory McKenna, Monitoring Officer

Date: 15 September 2025

Email: Monitoringofficer@london.gov.uk

Supporting Detail / List of Consultees:

- Emma Best AM (Deputy Chairman)
- Hina Bokhari OBE AM
- Caroline Russell 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: James Cotter JC & ZOW

Printed Name: James Cotter

Job Title: Research Analyst

Date: 11 September 2025

Countersigned by Executive Director:

Signature:



Printed Name: Helen Ewen

Date: 11 September 2025

Trusting London to deliver: our place in the Government's devolution reforms

GLA Oversight Committee

September 2025



LONDONASSEMBLY

GLA Oversight Committee



The GLA Oversight Committee monitors scrutiny expenditure and oversees the programming of the Assembly's business. It also recommends to the Mayor a budget proposal for the Assembly and allocates the budget for the financial year.

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Foreword



Bassam Mahfouz AM **Chair of the GLA Oversight Committee**

Imagine a London truly unleashed. A city with the powers to deliver transformative infrastructure and invest in the homes, transport, and services Londoners are crying out for. A city that not only sustains its place as a global powerhouse but uses its strength to drive sustainable growth for all nine million Londoners – and to fuel opportunity across the nation.

We are at a crossroads. People in London and across the UK want a politics that delivers visible, tangible change in their daily lives. When implemented effectively, devolution is a key part of that solution. It builds trust in institutions, strengthens democratic engagement, and improves people's quality of life. After 25 years of delivery – from world-class transport to cleaner air, poverty reduction, and dynamic leadership on the national and international stage through a directly elected Mayor and Assembly – London is ready for the next chapter.

Yet despite these successes, London remains held back by an incomplete devolution settlement. The capital generates vast wealth, but too often cannot reinvest it where it is most needed. Unlike the devolved administrations in Scotland, Wales, and Northern Ireland, and our global city peers, London still lacks the fiscal freedom to act boldly.

The English Devolution and Community Empowerment Bill offers the chance to put that right – to bring decision-making closer to Londoners. Crucially, the Government recognises that London is unique in the UK: its governance should be compared to global cities like Paris, New York, and Berlin rather than English cities and regions with smaller populations and vastly different needs. The proposed expansion of the mayoral system across England is welcome and the increase in some powers is well-deserved by the innovative and successful record of mayors across the UK. Yet London's unparalleled scale and complexity demand a governance model that is equally exceptional and allows the capital to compete confidently on the global stage.

We asked Londoners for their views on the devolved powers of the Mayor of London and the London Assembly. Our survey showed that Londoners are clear about what they want, with more devolved powers in housing, health, and policing at the top of the agenda. Twice as many Londoners support giving the Mayor greater powers as oppose it, and two thirds want the London Assembly's role strengthened or maintained to provide robust accountability. This is

vital to ensure the Assembly can continue to fulfil its unique role as a voice for Londoners, ensuring transparent, democratic, and locally based scrutiny of mayoral decision-making.

As the OECD warns, “without fiscal decentralisation, political and administrative decentralisation are meaningless.” That is why this report urges the Government not to miss the golden opportunity to grant London the power to introduce a tourism levy – a measure backed by 41 per cent of Londoners. It is a genuine win-win-win: raising vital funds, improving services for residents, and strengthening London's global appeal. Compared with other global cities, London is an outlier in not having one. Alongside reforms to council tax and business rates – both areas where Londoners want more local control – this would finally give London the tools to match its responsibilities.

The conclusion is simple. London's devolution settlement has worked well over 25 years, but it is unfinished. Londoners want powers that reflect their city's scale, and accountability that ensures those powers are used wisely. With the Government's devolution reforms, we can deliver both. In doing so, we will not only secure London's future but strengthen the prosperity and democracy of the United Kingdom as a whole.

The Government can trust London to deliver.

A handwritten signature in black ink, appearing to read 'Boris', is positioned above a faint, light blue rectangular stamp.

Executive Summary

London's devolution settlement is unique

The Greater London Authority (GLA) was established by the Government in 2000 to provide a bespoke devolution settlement for London. In passing the Greater London Authority Act 1999, Parliament recognised that London requires an exceptional governance model that reflects its unique scale and economic, cultural, and political status as the UK's capital city. In its first 25 years, London's mayoral model has delivered major achievements, while the London Assembly is unique as a democratically elected scrutiny body tasked with holding the Mayor to account.

Why did we conduct this investigation?

This investigation set out to examine the potential impacts on the GLA of the Government's devolution proposals, as outlined in the English Devolution White Paper and the English Devolution and Community Empowerment Bill. We viewed this as a welcome opportunity to examine the functioning of London's devolution settlement in its first 25 years, including its major successes and challenges. The aim of this was to identify priority areas for reform in any changes to London's future devolution settlement and assess the opportunities available to London under the Government's devolution proposals.

How did we conduct this investigation?

The Committee gathered evidence during three formal meetings between May and July 2025 and held several additional informal meetings to gather a comprehensive spread of information. Given the English Devolution White Paper's emphasis on comparing London's devolved powers with those of other global cities, our investigation had a strong international focus. We:

- held a formal meeting with the City of Toronto and Municipality of Milan and informal meetings with representatives from the city governments of Berlin and New York.
- conducted a fact-finding visit to Paris to gather evidence from the OECD, City of Paris, and an academic expert on urban governance arrangements in London and Paris.
- held formal investigation meetings with experts on devolution policy within England and the UK, in addition to receiving written evidence from academics and policy experts.
- held formal investigation meetings with key stakeholders, including the Chair of London Councils and the Mayor of London's office.
- commissioned a representative survey of 1,090 Londoners to seek their views on the devolved powers of the Mayor of London and the London Assembly.

What were our main findings?

Our investigation identified the following major successes of London's devolution settlement:

- The GLA has provided **institutional stability** and has maintained and strengthened its responsibilities despite changes in government, political leadership, and policy priorities.
- The **Mayor of London's convening power** gives the capital a powerful voice on the national and international stage who can advocate and defend London's interests.
- The **unique role of the London Assembly as a scrutiny body** ensures transparent, democratic, and locally based scrutiny of mayoral decision-making.

- The success of London's **transport integration** demonstrates how devolution enables strategic coordination, innovation, and improved public services and infrastructure.
- The coordination of **planning and strategic development** distinguishes London from other global cities in its ability to deliver smart growth and sustainable development.

Despite these successes, London's devolution settlement also faces significant challenges:

- London's **limited fiscal powers** are the greatest weakness in its devolution settlement and set it apart from other global cities that have much greater fiscal autonomy.
- The GLA's reliance on grant funding from Government means it is subject to **onerous spending rules** that have limited its autonomy to tailor spending to local priorities.
- Despite its strengths, the **London Assembly needs further scrutiny powers**, including in pre-decision scrutiny and its summoning powers beyond the GLA Group.
- **London's scale and complexity** far exceed those of any other English city, yet its devolved powers lag behind other UK devolved administrations – which have smaller populations – and global cities.

This report identifies how to build on the successes and address the challenges of London's devolution settlement across four themes. These form the basis for our 14 recommendations.

Boosting London's fiscal powers: The missing link in London's devolution settlement is fiscal autonomy. This leads to a reliance on Government grants to fund public services and risks undermining accountability and public trust. We present the case for greater fiscal devolution. A tourism levy is a promising opportunity, and London remains an international outlier in not having one. We also identify tax increment financing as a potential avenue to finance large infrastructure projects. Crucially, we identify that any new fiscal powers for the Mayor must be matched with robust scrutiny by the Assembly, including on new taxes or rate changes.

Securing London's governance structures: The Mayor's strong electoral mandate and accountability to Londoners should not be diluted by introducing new joint decision-making structures with London boroughs. However, we encourage the Mayor to proactively seek further opportunities to coordinate and cooperate closely with London boroughs to deliver vital services for Londoners. As an Assembly, we will also seek to engage with boroughs to reflect the importance of coordination and reflecting borough views at a strategic pan-London level.

We welcome the introduction of the Integrated Settlement, but it is essential that the outcomes framework for London will provide greater flexibility and not inadvertently increase Government control. Going forward, the Assembly should play a central role in monitoring these outcomes.

Strengthening the London Assembly: Given the Assembly's role in holding the country's most powerful directly elected politician to account, its scrutiny work would be enhanced by having access to a forward plan of key mayoral decisions, broader powers to summons representatives and information from key services providers in London outside the GLA Group, and an optimised budget scrutiny process. To ensure consistent and effective scrutiny, the Assembly must also have access to sufficient funding and staffing resources.

Expanding London's devolved powers: We welcome the opportunities in the Government's devolution reforms for London, including the possibility for new functions to be devolved to the Mayor without primary legislation, the Mayor's right to request new devolved powers, and the commitment to examine the GLA Act. It is essential that the Assembly is treated as an equal partner to the Mayor in any discussions about amendments to the GLA Act and future devolved powers. Our recommendations on consultation with the Assembly and establishing a Joint Commission on the GLA's devolved powers aim to maximise these opportunities for London.

Recommendations

Recommendation 1

We call on the Government to amend the English Devolution and Community Empowerment Bill as it passes through Parliament to include a provision enabling the Secretary of State to devolve revenue-raising powers to the GLA in future. Any future devolution of fiscal powers to the GLA should follow formal consultation with the Mayor of London and the London Assembly.

Recommendation 2

We call on the Government to amend the English Devolution and Community Empowerment Bill as it passes through Parliament or, if necessary, introduce a specific finance bill during the next parliamentary session, to enable the GLA to implement a tourism levy on overnight accommodation, with revenues ringfenced for investing in infrastructure and services that enhance London's appeal as a place to live and visit. This should take place in time for the levy to be operational by the beginning of the 2027-28 financial year.

Recommendation 3

We call on the Mayor to launch a formal engagement process with the London Assembly, London Councils, business representatives, and tourism sector stakeholders to build consensus around a proposal to introduce a tourism levy on overnight accommodation and ensure smooth implementation. This process should be launched by the end of 2025. By the end of 2026, the Mayor should finalise and submit a detailed proposal to HM Treasury, the Ministry of Housing, Communities and Local Government, and the Department for Culture, Media and Sport, demonstrating London's readiness to implement the levy by the beginning of the 2027-28 financial year.

Recommendation 4

We call on the Government to work with the Mayor of London to explore and develop a standardised model for tax increment financing (TIF). This model should enable the GLA to fund critical infrastructure by capturing new revenue streams – such as business rates or VAT – generated by the development that the infrastructure unlocks. This standardised model for TIF should be developed by the end of 2026.

Recommendation 5

We call on the Government to ensure that any additional fiscal powers devolved to the Mayor of London are accompanied by commensurate powers for the London Assembly to scrutinise them. Before any new fiscal powers are enacted, these should include a requirement that the London Assembly be consulted on decisions to introduce new taxes or amend tax rates, either through the annual budget scrutiny process or other comparable mechanisms.

Recommendation 6

Given the established strengths of London's strong mayoral model, we call on the Government to ensure the English Devolution and Community Empowerment Bill does not create new formal joint decision-making structures between the GLA and London boroughs. Instead, the Mayor should proactively seek to create further opportunities to coordinate and cooperate closely with London boroughs to deliver vital services for Londoners.

Recommendation 7

We call on the Government to agree by March 2026 an outcomes framework for London's Integrated Settlement in close consultation with the Mayor of London. The outcomes framework should be designed to provide the GLA with flexibility in deciding how funding should be spent to achieve the agreed outcomes and be finalised in time for implementation in the 2026-27 financial year.

Recommendation 8

We welcome the confirmation by the Government that the London Assembly will be responsible for local scrutiny of the Integrated Settlement in London. We call on the Mayor of London to commit to providing the London Assembly with the same monitoring reports, performance data, and information that will be submitted to the Government for assessing progress against the Integrated Settlement outcomes framework. These should be provided on a concurrent basis and at least six-monthly to facilitate transparency and effective scrutiny of the Integrated Settlement. We expect that this commitment will be included in the written agreement between the Government and the GLA on the outcomes framework prior to its implementation from the beginning of the 2026-27 financial year.

Recommendation 9

We call on the Government to amend the GLA Act to require that the Mayor of London provides the London Assembly with a forward plan of key mayoral decisions to aid transparency, effective pre-decision scrutiny, and the best use of resources, in line with the Scrutiny Protocol. This amendment should be in place by the beginning of the next London Assembly term in 2028.

Recommendation 10

We call on the Government to amend Section 61 of the GLA Act to give the London Assembly broader powers to summons representatives and information from key service providers in London, including the Mayor and bodies outside the GLA Group, such as privatised utility providers. This would strengthen the London Assembly's ability to investigate issues of broader importance to Greater London beyond the statutory functions of the Mayor. These powers should be in place by the beginning of the next London Assembly term in 2028.

Recommendation 11

In the context of the proposed examination of the GLA Act, we call on the Mayor of London to work together with the London Assembly to agree on how the budget scrutiny process could be most appropriately designed to ensure it makes best use of resources while maintaining high quality, robust scrutiny of the GLA Group budget. Consultation on potential changes should begin by December 2025, with a view to changes being introduced by the beginning of the next London Assembly term in 2028.

Recommendation 12

We call on the Government to amend the English Devolution and Community Empowerment Bill as it passes through Parliament to include a requirement for any new proposals for devolved powers to include explicit consideration of the scrutiny function and resources that would be required alongside the powers.

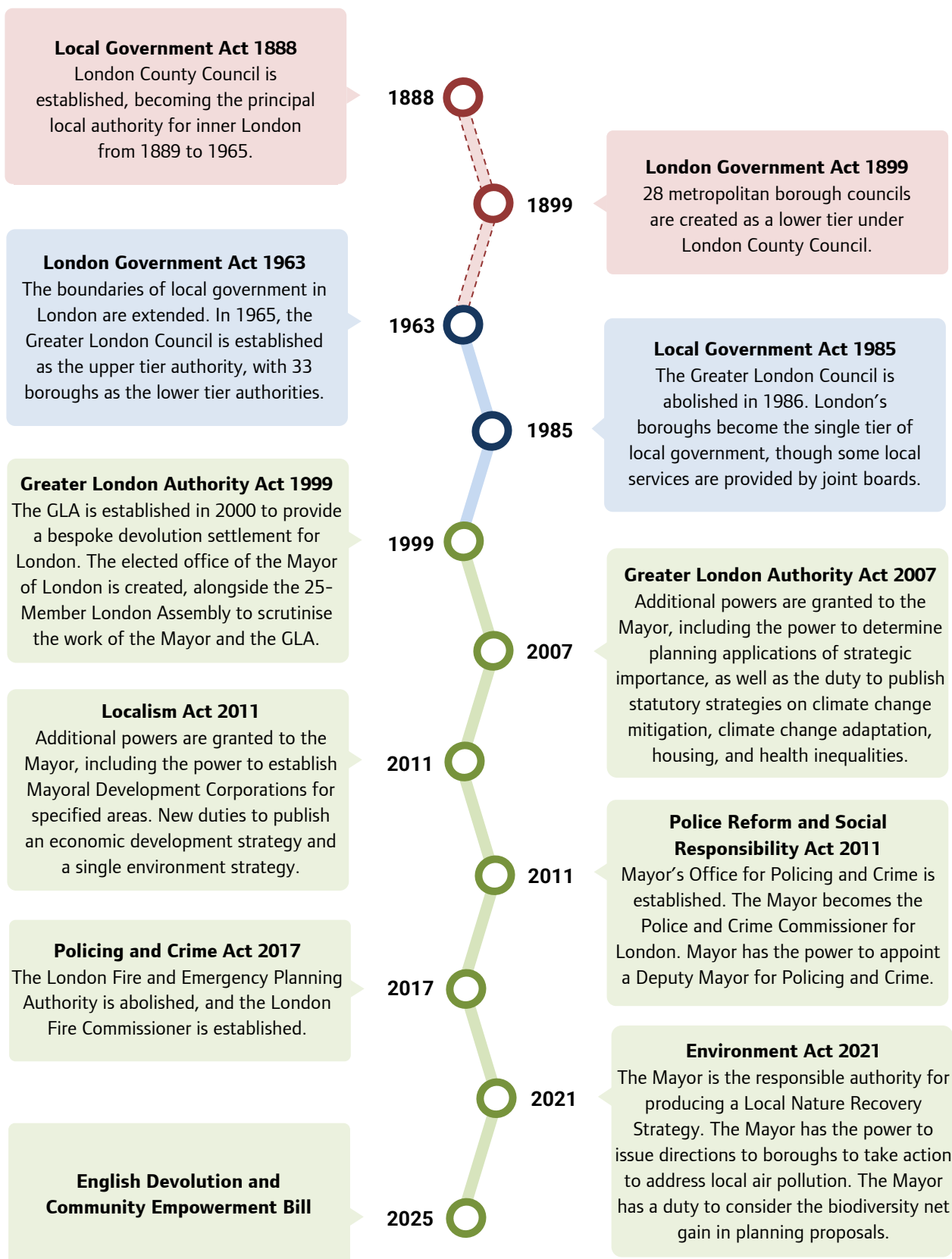
Recommendation 13

We call on the Government to amend Section 49 of the English Devolution and Community Empowerment Bill (as introduced) as it passes through Parliament to specify the London Assembly as a required consultee when the Mayor of London requests a change to the law relating to the GLA as an Established Mayoral Strategic Authority, including requests for new devolved powers. The Government should commit to ensure that any consultation it conducts on new requested devolved functions will be timely, clear, specific, and give the Assembly sufficient time to respond.

Recommendation 14

In the context of the examination of the GLA Act proposed by the Government, we call on the Mayor of London to work with the London Assembly to establish a Joint Commission to review the GLA Act in detail, propose amendments to remove unnecessary or dated provisions, and identify additional powers to be requested by the Mayor of London for inclusion in the Devolution Framework. The Joint Commission should be established by December 2025.

A timeline of London's government



Introduction

The United Kingdom, and specifically England, is frequently described as “one of the most centralised large, advanced economies in the developed world.”¹ This is the case despite the devolution of powers to Scotland, Wales, Northern Ireland, and major cities including London since the 1990s.

The Greater London Authority (GLA) was established by the Government in 2000 to provide a bespoke devolution settlement for London. Following a London-wide referendum in 1998 and the passing of the Greater London Authority Act 1999,² Parliament recognised that London requires an exceptional governance model that reflects its unique scale and economic, cultural, and political status as the UK's capital city. In its first 25 years, London's mayoral model has delivered major achievements for Londoners and has become a blueprint for devolution in other English cities and regions. The London Assembly remains unique in its crucial role as a democratically elected body responsible for holding the Mayor of London to account.

Although London's devolution settlement is recognised as the most advanced in England, the devolution landscape has become increasingly dynamic over the past decade. The conclusion of negotiated devolution deals and the creation of combined authorities with directly elected mayors have enabled other English cities and regions to climb a ladder of devolved governance, with increasing responsibilities and funding available at higher levels. London has received additional powers during that time, but the pace of change has been comparatively moderate.

We welcome the Government's commitment to strengthening English devolution, with a focus on driving growth, promoting sustainable economic activity, improving public services, and enhancing the accountability of local decision-making. We appreciate the Government's recognition of the success of London's unique mayoral model and the need to preserve its “pre-existing bespoke London arrangements.”³ We note the proposed return to using the Supplementary Vote system for elections for the Mayor of London in the English Devolution and Community Empowerment Bill.⁴

While the English Devolution White Paper (hereafter “the White Paper”) and the English Devolution and Community Empowerment Bill are primarily concerned with formalising governance structures for areas with less advanced devolution than London, the Government's reforms should also be seen as a much-needed opportunity to assess London's devolution settlement, including its strengths, weaknesses, and future potential. This is essential to ensure the GLA remains responsive to the needs of Londoners and that London continues to thrive as a globally competitive city and function effectively as the capital of the UK.

¹ Institute for Government (2022), [Subnational government in England: An international comparison](#), p. 1.

² [Greater London Authority Act 1999](#).

³ Ministry of Housing, Communities and Local Government (MHCLG) (2024), [English Devolution White Paper](#), p. 36.

⁴ UK Parliament, [English Devolution and Community Empowerment Bill](#), Bill 283 2024-25 (as introduced), p. 256.

Going forward, it is essential that the Government's reforms take full account of London's scale, complexity, and distinct needs. Throughout this investigation, we heard that London's exceptionalism and unique position within England's devolution landscape has often been to the benefit of both the city and the Government.⁵ However, there is a growing risk that if London's devolution settlement remains unchanged, other regions and cities may gradually surpass it in terms of devolved powers and responsibilities.

At the heart of this is the need to ensure London remains a globally competitive city. The capital's economic and social success is vital to the prosperity of the UK as a whole. This warranted an outward-looking investigation that examined the powers and policy approaches of other global city authorities to identify lessons and good practices that could strengthen London's devolution settlement and ensure it continues to serve Londoners over the next 25 years. This aligns with the Government's commitment to maintain "London's international competitiveness and attractiveness as a place to work, study, visit and invest", and to support this by working "with the Mayor of London to compare the powers and policy approaches of other global city authorities."⁶

During this investigation, we found that London's mayoral model with a directly elected Assembly provides a highly effective form of strategic governance with democratic legitimacy. However, as we also heard, London's devolution settlement is not reaching its full potential, in part because the GLA lacks the fiscal powers it needs to deliver. Our call for greater fiscal autonomy is not simply about securing new funding sources for the GLA. It is about ensuring that the Mayor of London can be held meaningfully accountable at a local level for decisions on revenue-raising and expenditure. Without this, the lines of responsibility for outcomes become blurred, which risks undermining democratic engagement and public trust.

The Committee welcomed the broad endorsement of the London Assembly model. However, given its critical role in holding the country's most powerful directly elected politician to account, the Assembly requires stronger powers to conduct scrutiny. This includes enhanced pre-decision scrutiny, broader summoning powers, and the ability to scrutinise key service providers in policy areas that matter to Londoners. These scrutiny powers will become even more important if – as the Committee believes should be the case – the Mayor of London is granted further devolved powers in the future.

The GLA is now a mature organisation with significant capacity and capability to deliver. However, it still lacks devolved powers in several key areas. Although the GLA was established as part of the devolution wave that created the Scottish Parliament, the Welsh Parliament, and the Northern Ireland Assembly, London has not been granted equivalent responsibilities and powers. This is despite having a significantly larger population and economy than each of the three devolved nations.

⁵ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 2.

⁶ MHCLG (2024), [English Devolution White Paper](#), p. 37.

As a leading global city, London faces intense competition from cities around the world that benefit from greater autonomy and more advanced devolved governance structures. Yet, there is a growing risk that London's complexity and scale may lead to its devolution arrangements being placed in the "too difficult" pile, or that its past successes may foster a complacent assumption that it will "look after itself" and continue to thrive without further reform.⁷ While London has demonstrated successes and innovation in the past 25 years, this assumption must be challenged. The capital faces significant and evolving challenges in delivering the public services and infrastructure that Londoners need to prosper. While devolution alone is not a panacea, it is a vital tool to ensure London has the fiscal autonomy, robust oversight, and devolved powers to respond adequately to these challenges.

Fundamentally, strengthening the capital's devolution settlement so that it is fit to deliver vital services and infrastructure for Londoners is essential to build trust in institutions, strengthen democratic engagement, and improve people's quality of life. The remainder of this report presents a vision for how London's devolution arrangements can be reinforced, with a focus on strengthening the capital's fiscal powers, scrutiny arrangements, and identifying responsibilities for further devolution.

⁷ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 9.

Chapter one: Reviewing 25 years of devolution in London

Our starting point for this investigation was to review how the GLA has served Londoners in its first 25 years. This called for an examination of London's current devolution settlement, its successes and challenges, and how it aligns with the Government's devolution reforms.

London's current devolution settlement is more advanced than elsewhere in England. The GLA was formally established in July 2000, following a London-wide referendum in 1998 and the passing of the Greater London Authority Act 1999 (hereafter "GLA Act").⁸ The Mayor and the GLA have been granted additional powers by subsequent legislation, including the Greater London Authority Act 2007,⁹ Localism Act 2011,¹⁰ Police Reform and Social Responsibility Act 2011,¹¹ Policing and Crime Act 2017,¹² and the Environment Act 2021.¹³

London's unique devolution settlement recognises that the city requires a unique governance model that reflects its scale and economic, cultural, and political status not only as the capital city of the UK, but also as a major global city.

Major successes of devolution in London

Institutional stability

One of the most notable achievements of the GLA since its establishment has been its institutional stability. In contrast to the frequent restructuring and changes in local and regional government institutions elsewhere in England, the GLA has exhibited continuity, resilience, and adaptability. This point was raised by Professor Patrick Diamond (Professor in Public Policy, Queen Mary University of London), who highlighted that institutions in England have "this extraordinary pattern of change and what in some ways distinguishes the London devolution settlement is its continuity."¹⁴

The GLA has succeeded in maintaining and strengthening its responsibilities despite changes in government, political leadership, and policy priorities. Richard Brown (Author and Freelance Consultant, Richard Brown Consulting) highlighted that the GLA "has outlived the Greater London Council" and "is now quite august and well established",¹⁵ adding that despite "changes in Government, despite controversies at some stage about various different Mayors, the GLA is still here. It has also had its powers extended, which is a tribute to things working well."¹⁶

⁸ [Greater London Authority Act 1999](#).

⁹ [Greater London Authority Act 2007](#).

¹⁰ [Localism Act 2011](#).

¹¹ [Police Reform and Social Responsibility Act 2011](#).

¹² [Policing and Crime Act 2017](#).

¹³ [Environment Act 2021](#).

¹⁴ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 4.

¹⁵ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 4.

¹⁶ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 4.

This stability has underpinned the GLA's effectiveness in coordinating the delivery of vital public services, responding to emerging challenges, and maintaining democratic accountability. Rob Anderson (Research Director, Centre for London) drew attention to the "relative maturity, stability and competence of [London's] devolved institutions."¹⁷ This has enabled the GLA to develop institutional memory and expertise and, in some areas, "become a global leader in public service delivery."¹⁸ He added that:

*"It is not insignificant that the GLA has outlasted some Government departments over the last 20-25 years for comparative stability and political continuity."*¹⁹

A defining feature of London's devolution settlement is that the GLA's functions and responsibilities are clearly defined in the GLA Act. Hamida Ali (Head of Learning and Practice, The Future Governance Forum) argued that this provides "clarity [...] in terms of functions, which is much less codified in the evolution that we have seen in other mayoral combined authorities".²⁰ This clear definition of responsibilities distinguishes the GLA from combined authorities and empowers the Mayor of London to give clear political direction, while also providing stability and continuity across mayoral administrations.

The Committee urges caution when considering reforms of London's devolved institutions to avoid undermining what has worked well. We welcome the Government's recognition that London's devolution settlement is "bespoke".²¹ Although London's devolution settlement can certainly be improved, it does not require wholesale institutional reform.

*"I think there is a compelling argument to say, if we are going to change this devolution structure further, we should be very careful about those changes, given the relative success of London's governance settlement."*²²

Professor Patrick Diamond, Professor in Public Policy Queen Mary University of London

Mayor of London's convening power

With the largest personal electoral mandate of any politician in the UK, the office of the Mayor of London has significant democratic legitimacy and local visibility. In written evidence provided to the Committee, Professor Tony Travers (Professor in Practice and Associate Dean of the LSE School of Public Policy) identified that a key distinction between the GLA and combined authorities is that the Mayor of London is "the sole origin of policy-making executive power, subject to oversight by the London Assembly."²³ The fact that the Mayor of London's powers

¹⁷ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 3.

¹⁸ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 3.

¹⁹ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 3.

²⁰ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 2.

²¹ MHCLG (2024), [English Devolution White Paper](#), p. 36.

²² London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 4.

²³ Written evidence submitted by Professor Tony Travers [\[DR004\]](#), p. 23.

are independent from councils in London contrasts with combined authority mayors, who function as leaders of groups of constituent council leaders.

London's mayoral model gives the capital a powerful voice on the national and international stage. According to the Local Government Information Unit, the Mayor's role in "promoting London globally and advocating to central government for the capital's interests has been particularly valuable in securing investment and maintaining London's competitiveness as a global city."²⁴ This is particularly important given London's unique status in the UK as a major global city and its contribution to the success of the UK economy as a whole.

*"A further key success is the Mayoralty's role as a voice for the capital, the champion for London, nationally and internationally helping secure investment for our economy and infrastructure, which is particularly vital for a global city like ours [...]."*²⁵

Rob Anderson, Research Director Centre for London

The Mayor's convening power as a visible elected leader has enabled London to respond effectively to major challenges. The Local Government Information Unit highlighted the response to the "COVID-19 pandemic, and more positively the successes of the 2012 Olympics and its legacy in community and sport infrastructure across the city."²⁶ Hamida Ali emphasised the symbolic importance of the Mayor's leadership role both in times of crisis and celebration:

*"There is significant power in the simplicity of a mayoral figure in bringing one of the most diverse global cities on the planet together, whether that is in terms of coordination of partners across a system trying to deliver important vital services, whether that is tackling vested interests, or in the interests of community cohesion, celebrating or marking moments of either great joy or sadness, perhaps most starkly illustrated on both 6 and 7 July 2005."*²⁷

Evidence strongly suggests that mayors are the most recognisable local political figures in England. Polling conducted by the think tank Centre for Cities in 2024 found that 88 per cent of Londoners could correctly name the Mayor of London. This contrasted with just 41 per cent of Londoners being able to name their local Member of Parliament and 19 per cent being able to name their local council leader.²⁸ Across other metro mayors, the same polling found that the Mayor of London was the most recognised mayor amongst his/her constituents when compared with the Mayors of Greater Manchester, Liverpool City Region, South Yorkshire, Tees

²⁴ Written evidence submitted by the Local Government Information Unit [\[DR001\]](#), p. 4.

²⁵ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 4.

²⁶ Written evidence submitted by the Local Government Information Unit [\[DR001\]](#), p. 4.

²⁷ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 2.

²⁸ Out of a representative sample (based on age and gender) of 628 people eligible to vote in the 2024 mayoral election in London, 552 could correctly name the Mayor of London, 257 could correctly identified the MP in their area, and 117 could correctly name the leader of their local council. Centre for Cities (2024), [Place over politics](#).

Valley, West Midlands, and West Yorkshire.²⁹ London's devolution settlement has created a visible and identifiable political figure that can be held to account by the electorate. This is reinforced by recent polling conducted by Ipsos in March 2025, which found that 43 per cent of people across England think that directly elected mayors have a positive impact on "making sure that local government is accountable to local residents" – almost three times the number who think they have a negative impact (15 per cent).³⁰

The unique role of the London Assembly as a scrutiny body

A core strength of London's devolution settlement is the unique design and function of the London Assembly. The Assembly provides a robust, transparent, and democratically elected mechanism for scrutiny of mayoral decision-making, as well as a forum for the voice of Londoners within the capital's mayoral structure. This ensures that the Mayor's actions are subject to democratic oversight by elected representatives of Londoners.

There are numerous examples of the Assembly's achievements in delivering timely, high-profile, and impactful scrutiny. Some brief examples of these include:

- The **Report of the 7 July Review Committee**, which provided a thorough and sensitive examination of London's response to the 2005 terrorist attacks and made 54 recommendations to improve preparedness for future emergencies.³¹
- The London Assembly Transport Committee's report, **Derailed: Getting Crossrail back on track**, which held senior officials to account for delays in the delivery of one of London's most significant infrastructure projects.³²
- The Assembly has fulfilled its statutory role in conducting **in-depth scrutiny of the Mayor's strategies** over three different iterations, whilst also completing **public and transparency budget scrutiny of the £20 billion budget** on an annual basis.³³

Experts consistently contrasted the scrutiny arrangements in London with those in combined authorities. This is partially because the Mayor of London and Assembly Members have separate electoral bases, whereas in combined authorities, most Overview and Scrutiny Committee members are councillors elected to the constituent local authorities.³⁴ Although scrutiny bodies in combined authorities operate differently from the Assembly, this reflects their distinct institutional contexts and smaller scale compared to that of the GLA. Dr Jack Newman (Research Fellow, University of Bristol) highlighted that London is unique in that the GLA "has arrangements where accountability can function at the local level through the Assembly."³⁵ Dr Newman observed that the Government's devolution proposals are an opportunity to consider the functioning of the Assembly and additional functions that would strengthen it:

²⁹ Centre for Cities (2024), [Place over politics](#).

³⁰ Ipsos (2025), [Ipsos UK/LGIU Local Elections polling](#), p. 21.

³¹ London Assembly (2006), [Report of the 7 July Review Committee](#).

³² London Assembly (2019), [Derailed: Getting Crossrail back on track](#).

³³ Greater London Authority (n.d.), ['About the London Assembly'](#) (accessed 4 August 2025).

³⁴ The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017, [Article 3](#).

³⁵ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 14.

*"[It] is an important opportunity for London to sell the Assembly model and think about what other broader functions it could have. Particularly in terms of rebuilding democracy and democratic engagement."*³⁶

Our investigation found that although the Assembly's scrutiny arrangements have functioned well in the last 25 years, there are areas in which its powers should be strengthened. This will become even more necessary if the Mayor receives further devolved powers. These are discussed in further detail later in this chapter and in chapter four.

Transport integration

Throughout our investigation, transport was widely recognised as one of the most successful areas of devolution in London. The establishment of Transport for London (TfL) under the strategic oversight of the Mayor was widely credited as central to this success. Hamida Ali described transport as "the clearest and most obvious" success of devolution, highlighting how TfL's "direct control over integrated transport across buses, the Underground, and now to some extent some of the [National Rail] network, has transformed Londoners' experiences of public transport in the last 25 years."³⁷ As noted in a written submission by Jack Shaw (Policy Fellow, The Productivity Institute), "London is widely seen to have one of the best integrated transport systems in the world", with TfL credited for delivering "integrated ticketing, improvements to the tube and buses, and major projects like the Elizabeth line."³⁸

Transport was cited as an example of how the GLA provided strong strategic coordination that has improved public services, infrastructure, and outcomes for Londoners. The Local Government Information Unit highlighted the role of the GLA in coordinating multiple stakeholders to deliver complex projects:

*"The creation of Transport for London, the Elizabeth line and Crossrail, the Oyster Card system and the first Congestion Charging Zone, exemplify successful integration of strategic transport planning and delivery across a complex network of local authorities, partners and business."*³⁹

London's transport system demonstrates how devolution can enable policy innovation. TfL has pioneered innovations such as the Oyster Card, which Rob Anderson described as "replicated globally".⁴⁰ He also highlighted the metroisation of rail services in northeast London, which "increased ridership by 80 percent in just four years".⁴¹ Jack Shaw outlined how innovative financing mechanisms, such as the Mayoral Community Infrastructure Levy (MCIL) and a business rate supplement of 2p per £1 on larger non-domestic properties enabled the successful delivery of the Elizabeth line. He also highlighted how no other city in England has

³⁶ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 3.

³⁷ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 2.

³⁸ Written evidence submitted by Jack Shaw [\[DR002\]](#), p. 12.

³⁹ Written evidence submitted by the Local Government Information Unit [\[DR001\]](#), p. 4.

⁴⁰ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 3.

⁴¹ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 3.

had that possibility until now,⁴² underscoring the importance of devolved fiscal powers for enabling transport infrastructure delivery.

Our investigation also identified how devolution has enabled the Mayor of London to take risks in implementing solutions to complex problems faced by the capital. Richard Brown highlighted the example of congestion charging as a significant achievement of devolution in London:

*"One of the earliest and most important successes was congestion charging. It was a commitment by the first Mayor. It was a highly complex scheme. It was a scheme that central Government would have never implemented, because there were far too many people who stood to lose. It has now formed the basis of a succession of further similarly implemented innovations. It is still relatively world-leading."*⁴³

Planning and strategic development

The ability to coordinate spatial development through the London Plan is a major success of London's devolution settlement. The London Plan has adapted and evolved between mayoral administrations, with Centre for London arguing that it "set a world standard in promoting smart growth, sustainable development, urban renaissance."⁴⁴ The Local Government Information Unit highlighted this as an example of how London's mayoral model has enabled "strategic, long-term decision-making that would have been unachievable otherwise."⁴⁵

We heard that London's devolved powers in planning distinguish it from other major global cities. Richard Brown outlined how other cities, such as New York, are "jealous of the way we have managed to integrate planning and transportation in this city", adding that:

*"[The] ability to plan, through the London Plan, through individual planning decisions, through transport planning, the infrastructure of the city and its development in the same way has been important. It has been an area of continuity between the Mayors. You can see a progression of big infrastructure projects going through all three Mayors."*⁴⁶

Major challenges of devolution in London

Limited fiscal powers

There was unanimity across expert contributors to this investigation that the lack of fiscal devolution is the greatest weakness in London's devolution settlement. Despite this, the Government's proposals in the White Paper and the English Devolution and Community Empowerment Bill do not explicitly provide for the further devolution of fiscal powers.

Several panellists highlighted lacking revenue-raising powers as a key difference between London and other global cities. Professor Tony Travers, who was the Chair of the first and second London Finance Commissions, argued that compared "with similar cities in other

⁴² Written evidence submitted by Jack Shaw [DR002], p. 12.

⁴³ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 4.

⁴⁴ Centre for London (2020), ['Five ways London's mayors have changed the city'](#).

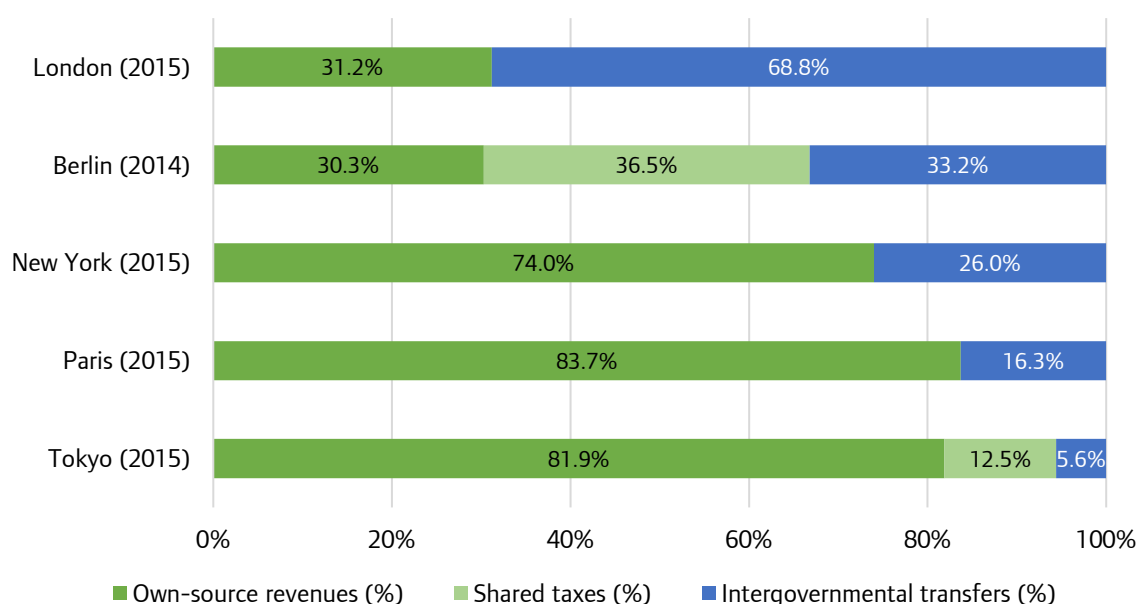
⁴⁵ Written evidence submitted by the Local Government Information Unit [DR001], p. 4.

⁴⁶ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 4.

countries, the GLA's fiscal autonomy is badly under-powered."⁴⁷ Despite this issue being reviewed in detail by the London Finance Commission in 2013 and 2017, he outlined that there had been "virtually no progress in creating a wider tax-base for the GLA and the boroughs."⁴⁸ He added that "[this] failure is the more profound, given the massive scale of London's tax-generating capacity for the Exchequer."⁴⁹ Dr Janice Morphet (Visiting Professor, The Bartlett School of Planning, University College London) reinforced this point, arguing that "[if] you want a decentralised state, then you have a decentralised taxation model."⁵⁰ She added:

*"If we were in Canada or Denmark, it would be [local government] collecting national taxation and National Insurance and then [it] would be remitting the remainder to Government after [it] had spent what [it] needed to do on hospitals, health, transport, and everything else. It would be residual to Government, not residual to local government."*⁵¹

Figure 1: Share of local government revenues by source in London and global cities⁵²



This lack of fiscal powers leaves London much more reliant on central Government grants. Compared with cities like Berlin, New York, Paris, and Tokyo, which all have greater autonomy over local taxes, London cannot tailor its fiscal policy to local priorities. In 2015, almost 69 per cent of the funding for the GLA and London boroughs came from central government transfers. This is much higher than in Berlin (33 per cent), New York (26 per cent), Paris (16 per cent), and Tokyo (6 per cent).⁵³ This is illustrated in figure 1. The Local Government Information Unit

⁴⁷ Written evidence submitted by Professor Tony Travers [\[DR004\]](#), p. 25.

⁴⁸ Written evidence submitted by Professor Tony Travers [\[DR004\]](#), p. 25.

⁴⁹ Written evidence submitted by Professor Tony Travers [\[DR004\]](#), p. 25.

⁵⁰ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 17.

⁵¹ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 17.

⁵² Based on calculations in: Slack, E. (2016). [International Comparison of Global City Financing: A Report to the London Finance Commission](#), p. 13. The figures for London account for both the GLA and boroughs.

⁵³ Slack, E. (2016). [International Comparison of Global City Financing: A Report to the London Finance Commission](#), p. 13.

emphasised that such “centralised control of taxes and funding, and limits to revenue-raising flexibility, hinders autonomy and resilience.”⁵⁴ Rob Anderson reinforced this point:

“The current settlement remains arguably inconsistent with the concept of a mature regional authority, capable of long-term financial planning. [...] The unique challenges London faces are distinct from the rest of the country. Our housing market is one of the most obvious examples which requires a fiscal response.”⁵⁵

Without additional revenue-raising powers, London's devolution settlement will remain partial and constrained. As Hamida Ali emphasised, there is a strong mismatch between “the scale of fiscal freedom to match the scale of policy and powers that Mayors are increasingly being empowered with.”⁵⁶ Jack Shaw argued that London needs greater fiscal powers to meet “current and future challenges – such as the housing crisis, climate change, and inequality”.⁵⁷ Professor Patrick Diamond outlined that unless the Government gives places like London greater fiscal powers, its devolution proposals will not achieve their key objectives of strengthening economic growth and productivity:

“For me, there is an unanswerable case for a much greater devolution of fiscal powers to the Mayor and the Authority in London. [...] One of the crucial aspects of devolution is that it incentivises places to grow and become more productive. If you do not have fiscal devolution, you are missing a crucial part of what devolution is supposed to be about in the first place.”⁵⁸

Professor Patrick Diamond, Professor in Public Policy Queen Mary University of London

Onerous funding rules

In addition to the GLA's limited revenue-raising powers, the grants it receives from the Government are subject to strict conditions on how funding is allocated. This ringfencing is currently determined centrally by separate Government departments, which limits the GLA's autonomy and flexibility in allocating funding to local priorities. Following the publication of the White Paper in December 2024, the Mayor welcomed the proposed new Integrated Settlement for London, adding that this will provide greater freedom and remove many of the “onerous rules” attached to “multiple small pots” of government funding:

“This is a reform I have wanted put in place for some time and will let London set its priorities [...] Local leaders and communities know their areas best – giving us flexibility

⁵⁴ Written evidence submitted by the Local Government Information Unit [\[DR001\]](#), p. 5.

⁵⁵ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 8.

⁵⁶ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 2.

⁵⁷ Written evidence submitted by Jack Shaw [\[DR002\]](#), p. 13.

⁵⁸ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 17.

will allow us to use our knowledge of our jobs market and the opportunity to make our money go further.”⁵⁹

The high degree of ringfencing on funding to date has diminished the GLA's autonomy to set its own priorities, which ultimately undermines one of the main principles of devolution. The Mayor's Deputy Chief of Staff, Richard Watts, acknowledged this while welcoming the announcement that the Integrated Settlement will be expanded to London from 2026-27:

“The principle of an integrated settlement is welcome given the, frankly, unhelpful level of ringfencing and conditions attached to many Government grants at the moment that treat authorities like this one - and London boroughs as well, for that matter, frankly - as passive recipients of funding for a programme with very little ability to shape it.”⁶⁰

While we welcome the Integrated Settlement, this does not give London any of the additional fiscal powers it needs. The Integrated Settlement changes the way in which the GLA receives grant funding from the Government, but it does not offer any additional autonomy to raise taxes, amend tax rates, or determine how tax revenues will be spent. In any discussions around London's future devolution settlement, it is crucial to ensure the Integrated Settlement and further fiscal devolution are considered as two distinct but related issues.

Incomplete scrutiny powers of the London Assembly

While the Assembly's scrutiny arrangements have served London well in the last 25 years, there remain areas where its powers should be enhanced. The Assembly has long called for stronger scrutiny powers, including in the London Assembly Devolution Working Group's 2015 report, *A New Agreement for London*,⁶¹ and the GLA Oversight Committee's 2023 report, *Devolution in London*.⁶² These calls were echoed by contributors to this investigation, including the Local Government Information Unit, which noted that the Assembly currently “has limited power to scrutinise the mayor effectively”.⁶³ Jack Shaw commented that “strengthening the London Assembly should be given further consideration.”⁶⁴ Strengthening the Assembly's scrutiny powers will become increasingly important if further responsibilities are devolved to the Mayor, which the Committee believes should be the case.

This view was echoed in the survey conducted for this investigation. When asked whether the Assembly should receive more or fewer powers if the office of the Mayor were granted additional devolved powers, 66 per cent of Londoners supported maintaining or increasing the Assembly's powers – with 36 per cent favouring the London Assembly receiving more powers.⁶⁵

Although some contributors emphasised the strengths of the Assembly compared with scrutiny arrangements in combined and local authorities, there are areas in which their Overview and Scrutiny Committees have stronger scrutiny powers than the London Assembly. For example,

⁵⁹ Sir Sadiq Khan (2024), ‘[Devolution will give London the powers it needs to thrive](#)’, *City AM*, 19 December 2024.

⁶⁰ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 5.

⁶¹ London Assembly Devolution Working Group (2015), [A New Agreement for London](#).

⁶² GLA Oversight Committee (2023), [Devolution in London](#).

⁶³ Written evidence submitted by the Local Government Information Unit [\[DR001\]](#), p. 5.

⁶⁴ Written evidence submitted by Jack Shaw [\[DR002\]](#), p. 13.

⁶⁵ Greater London Authority (2025), [London Devolution Polling – June 2025](#), Question 6.

the Mayor is not required to provide the Assembly with a forward plan of key mayoral decisions, which it has repeatedly requested. The Assembly also lacks the power to summons information and cooperation from bodies outside the GLA Group that play a significant role in delivering the Mayor's strategies.

Given the Assembly's critical statutory role in holding the country's most powerful directly elected politician to account, the Assembly needs stronger powers to conduct pre-decision scrutiny, broader summoning powers, and the ability to scrutinise the influence of key service providers in policy areas that matter to Londoners. This challenge, and options for addressing it, are discussed further in chapter four.

As well as strengthening its scrutiny powers, the Assembly must seek to improve public understanding and awareness of its role. While Rob Anderson praised the Assembly's record on scrutiny and its critical role in London's governance, he highlighted polling data that shows that only 19 per cent of Londoners can name their Assembly Member. He stressed that for the Assembly's democratic legitimacy and impact to grow, it must do more to ensure Londoners understand who their representatives are and what they do.⁶⁶

London's scale and complexity of challenges

London's scale and complexity present a unique set of challenges that demand coherent, city-wide strategic coordination. Dr Jack Newman observed that while "London is a long way ahead in a lot of what it does, even in comparison to Greater Manchester,"⁶⁷ its governance model must continue to evolve to meet the needs of "a city that is much bigger than any other in the country."⁶⁸ Yet, as Rob Anderson highlighted, the current "patchwork nature of devolved versus non-devolved powers [...] means London lacks integrated levers."⁶⁹ This is particularly evident in areas such as health, which remains largely outside the GLA's direct control, despite its strong interdependencies with devolved competencies such as housing, transport, and air quality. Anderson warned that the current devolution settlement "struggles to account fully for London's scale and diversity",⁷⁰ making it challenging to deliver solutions to city-wide problems.

Over the past 25 years, there have been repeated calls for further devolution to London. In the last decade alone, these include the London Assembly Devolution Working Group's 2015 report, *A New Agreement for London*,⁷¹ and the GLA Oversight Committee's 2023 report, *Devolution in London*, which both made the case for deepening London's devolved powers.⁷² Organisations outside the GLA have similarly made calls for further devolution to London, such as Centre for London in its 2024 briefing, *Devolution in London: the unfinished story*.⁷³ Our investigation highlighted that any future devolution must be accompanied by enhanced fiscal autonomy and stronger scrutiny powers. For this reason, these are the central focus of this

⁶⁶ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 22.

⁶⁷ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 3.

⁶⁸ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 2.

⁶⁹ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 8.

⁷⁰ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 8.

⁷¹ London Assembly Devolution Working Group (2015), *A New Agreement for London*.

⁷² GLA Oversight Committee (2023), *Devolution in London*.

⁷³ Centre for London (2024), *Devolution in London: the unfinished story*.

report rather than calls for specific devolved functions and responsibilities. However, some areas in which further devolution of powers should be considered include:

- **Devolution of commuter rail services to TfL:** The Mayor, TfL, and the London Assembly have long called for further devolution of commuter rail services to TfL.⁷⁴ Following the decision of the Secretary of State for Transport to reject a proposal from TfL to take over Southeastern train services in 2016, the London Assembly called on the Government to reconsider the decision.⁷⁵ There have been further London Assembly motions supporting expanded devolution of rail services in 2019⁷⁶, 2021⁷⁷, 2023⁷⁸, as well as a letter to the Minister for Rail in 2024.⁷⁹ Our investigation found that devolving the commuter rail services in and around London should remain a priority consideration for London's future devolution settlement.⁸⁰
- **Housing:** During our investigation, expert contributors argued that London's housing market presents unique challenges that require tailored fiscal responses, including greater control over property-based taxes.⁸¹
- **Skills:** Our investigation found strong support amongst expert contributors for an expansion of the Mayor's role in adult skills. Richard Brown observed that devolution in this area can help to align skills provision with the needs of the local labour market.⁸² Richard Watts emphasised the need to "shape London's skill system around the unique needs of London's economy" and underscored that developing an "inclusive talent strategy" is an essential part of the London Growth Plan.⁸³
- **Health:** During our investigation, expert contributors identified health and public health as a priority for further devolution. Rob Anderson observed that health outcomes are interconnected with other devolved areas such as transport, housing, and air quality.⁸⁴ Dr Jack Newman argued that local control would allow for more integrated and preventative approaches to public health, aligning with the Government's stated ambitions to shift from treatment to prevention.⁸⁵ Professor Tony Travers argued in favour of greater local accountability for NHS services in London,⁸⁶ and a closer alignment between the budgets of the NHS and those for budget health.⁸⁷

⁷⁴ Greater London Authority (n.d.), '[The Mayor's plans for rail devolution](#)' (accessed 2 May 2025); London Assembly Transport Committee (2015), '[Devolving rail services to London](#)'; TfL (2019), '[Strategic Case for Metroisation in south and south east London](#)'.

⁷⁵ London Assembly (2016), '[Assembly demands rethink of rail devolution decision](#)', 7 December 2016.

⁷⁶ London Assembly (2019), '[Devolution of Train Franchises](#)', 5 September 2019.

⁷⁷ London Assembly (2021), '[Williams-Shapps Plan for Rail](#)', 10 June 2021.

⁷⁸ London Assembly (2023), '[Suburban rail services should be devolved to TfL](#)', 16 March 2023.

⁷⁹ London Assembly (2024), '[London Assembly calls on the government to further devolve the running of rail services in London](#)', 23 October 2024.

⁸⁰ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, p. 3. Written evidence submitted by Professor Tony Travers [\[DR004\]](#), p. 24.

⁸¹ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 8.

⁸² London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 11.

⁸³ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 10.

⁸⁴ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 8.

⁸⁵ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 16.

⁸⁶ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, p. 4.

⁸⁷ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, p. 5.

While the Government's current devolution proposals do not directly address the specific challenges set out above, they do provide a structure and framework within which these may be addressed in future. We believe that addressing the challenges faced in London's devolution settlement will not only strengthen the competitiveness of the capital as a global city but will also reinforce the health of democracy in London, build trust in public institutions, and boost citizen engagement. The remainder of this report focuses on addressing these in the context of the Government's proposed devolution reforms.

Chapter two: Boosting London's fiscal powers

The case for boosting London's fiscal powers

Fiscal powers are the missing link in London's devolution settlement

The missing link in London's devolution settlement is fiscal autonomy, which is the ability to levy local taxes and raise its own revenues to fund public services and invest in infrastructure. As outlined in chapter one, London has very limited control over its revenue sources by international standards. This significantly limits London's capacity to deliver public services and invest in the infrastructure needed to compete with other global cities and remain an attractive place to live and work. It also weakens the democratic rationale for devolution, as it means there exists only a very weak link between the taxes Londoners pay and the services delivered by the Mayor, making it more difficult to hold them accountable for the outcomes achieved.

*"The concept of decentralisation covers three dimensions: political, administrative and fiscal. These dimensions are inter-dependent: there can (or should) be no fiscal decentralisation without political and administrative decentralisation. On the other hand, without fiscal decentralisation, political and administrative decentralisation are meaningless."*⁸⁸

OECD

Making Decentralisation Work: A Handbook for Policy-Makers

Drawing on extensive research across its 38 member countries and beyond, the Organisation for Economic Co-operation and Development (OECD) finds that effective decentralisation consists of three interdependent dimensions: political, administrative, and fiscal.⁸⁹ As published, the English Devolution White Paper and the English Devolution and Community Empowerment Bill do not address the fiscal dimension. The Institute for Government noted this in its response to the White Paper, stating that the Government "completely sidestepped the question – directly from mayors – about fiscal devolution, or even some tax experimentation such as a tourist tax, suggesting that the Treasury clearly remains cautious about fiscal devolution."⁹⁰ As published, the English Devolution and Community Empowerment Bill introduces no new revenue streams for the GLA.

Ignoring the fiscal dimension of devolution risks undermining the success of the Government's devolution reforms. While the White Paper outlines that devolution means that policy "can be tailored to local situations", "enables coordinated action in a place", "gives communities a greater say in decisions that affect them", and "drives innovation",⁹¹ these ambitions cannot be

⁸⁸ OECD (2019), [Making Decentralisation Work: A Handbook for Policy-Makers](#), p. 31.

⁸⁹ OECD (2019), [Making Decentralisation Work: A Handbook for Policy-Makers](#), p. 31.

⁹⁰ Institute for Government (2024), '[Nine things we learned from the English devolution white paper](#)'.

⁹¹ MHCLG (2024), [English Devolution White Paper](#), p. 23.

fully realised without fiscal powers. If the GLA is to receive new devolved powers in future, these must be coupled with new revenue-raising powers. In other words, fiscal devolution is not just desirable but essential. As Richard Watts noted:

*"[If] we are looking at comparing London as a global city, fiscal devolution is central to this because you need money to be able to do anything. You need both money and powers. Just getting powers without funding is pretty moot."*⁹²

English devolution currently relies on a grant-based funding model. As further discussed in chapter three, the introduction of the Integrated Settlement represents an evolution of this grant-based model that could provide greater flexibility in how the GLA spends funds received from central government. While this is a positive step, it falls short of granting London the power to raise its own revenues. Professor Tony Travers emphasised the need to revisit this unfinished part of London's devolution settlement, noting that London was established as part of the same wave of constitutional reform that created the devolved administrations in Scotland and Wales. Given that London's population and economy are larger than those of Scotland and Wales combined, it is more appropriately compared to those nations than other English cities. Yet, Scotland and Wales now benefit from devolved fiscal powers that London still lacks.

*"Wales and Scotland now have access to income tax, and they are much smaller in population terms and in terms of their economy than London, therefore there is absolutely no reason why the GLA should not consider a wider range of taxes available to it."*⁹³

Professor Tony Travers, Professor in Practice and Associate Dean LSE School of Public Policy

The need for greater fiscal devolution in London is well documented. The issue was investigated in detail in the reports of the first and second London Finance Commissions, *Raising the Capital*⁹⁴ and *Devolution: a capital idea*.⁹⁵ More recently, the GLA Oversight Committee's 2023 report, *Devolution in London*,⁹⁶ made several recommendations to strengthen fiscal devolution in London. These included: devolving property-based taxes; reforming business rates and council tax; giving London the same powers and responsibilities as the Scottish and Welsh administrations over business rates; assigning a proportion of income tax and VAT yields to London; devolving vehicle excise duty receipts; and implementing a tourism levy to fund local infrastructure.⁹⁷ The recommendations from these reports remain in place but there has been little to no progress in implementing them to date.

⁹² London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 6.

⁹³ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, p. 3.

⁹⁴ London Finance Commission (2013), [Raising the Capital](#).

⁹⁵ London Finance Commission (2017), [Devolution: a capital idea](#).

⁹⁶ GLA Oversight Committee (2023), [Devolution in London](#).

⁹⁷ GLA Oversight Committee (2023), [Devolution in London](#), pp. 7-8.

The GLA needs greater fiscal powers to strengthen economic growth, productivity, and public trust. London has the capacity to generate vast revenues yet remains unable to invest them in delivering critical infrastructure, housing, climate resilience, and tackling inequalities. Jack Shaw described fiscal devolution as a “theory of everything”, highlighting its centrality to achieving London’s strategic priorities:

“If London wants to self-finance large-scale regeneration, it will need to be able to raise revenue. If London wants to host an international competition that would boost the visitor economy, it could capture the benefit with new revenue-raising tools such as a Tourism Levy, making it more viable. If London wants to remain internationally competitive, it is vital that it is able to invest in the priorities it has set out in The London Plan, London Growth Plan and London Infrastructure Plan 2050.”⁹⁸

Granting London greater fiscal autonomy would also reduce its reliance on grant funding from the Treasury. With significantly fewer tax levers than other global cities, the GLA’s main revenue sources are limited to the Mayoral precept on council tax, business rates retention, and TfL fare revenue. Professor Tony Travers noted that this makes it “very hard for the boroughs and the Mayor to provide anything like the level of service that they would do.”⁹⁹ The Chair of London Councils, Cllr Claire Holland echoed this point, arguing that greater fiscal powers would allow policy to be better tailored to local priorities, which is a core principle of devolution.

“If we had greater fiscal devolution in London, not only could we be raising alternative revenues [...], but we could be in charge of how we spend that funding, because [...] we know our city and we know our neighbourhoods and our streets better than anyone else.”¹⁰⁰

Cllr Claire Holland, Chair of London Councils

Learning from international examples: The role of fiscal devolution in strengthening accountability and trust in democracy

OECD:

Drawing on extensive research across its 38 member countries and beyond, the OECD finds that effective decentralisation consists of three interdependent dimensions: political, administrative, and fiscal. Crucially, it warns that “without fiscal decentralisation, political and administrative decentralisation are meaningless.”¹⁰¹ In other words, devolving responsibilities without devolving powers over the financial means to deliver them results in a hollow form of devolution that lacks the capacity to deliver meaningful outcomes.

⁹⁸ Written evidence submitted by Jack Shaw [DR002], pp. 15-16.

⁹⁹ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, p. 7.

¹⁰⁰ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, p. 4.

¹⁰¹ OECD (2019), [Making Decentralisation Work: A Handbook for Policy-Makers](#), p. 31.

In its guidance to policymakers, the OECD underscores that governments should “ensure that all responsibilities are sufficiently funded” and “strengthen subnational fiscal autonomy to enhance accountability.”¹⁰² Rather than simply providing more central government grants, the OECD outlines that granting fiscal autonomy to lower levels of government is “at the core of decentralisation.”¹⁰³ Despite this, it finds that this “is very often decentralisation’s missing link”, adding that “unfunded or underfunded mandates – where subnational governments have the responsibility to provide services or manage policies without the requisite resources – are common.”¹⁰⁴

When local government is given responsibilities without the required financial resources or the autonomy to raise new revenues, this undermines accountability. Citizens may expect improved public services under devolution, but if this doesn’t happen due to inadequate funding, it becomes unclear whether responsibility is due to poor delivery at the local level or inadequate funding from central government. This blurring of accountability can foster frustration and disillusionment amongst voters, contributing to a so-called “geography of discontent”.¹⁰⁵ This is a pattern of dissatisfaction that erodes trust in both local and national government and can fuel political disengagement or extremism. As the OECD emphasises: “Dysfunctional decentralisation systems are part of the story behind the crisis of democracies: it is thus critical to find ways to make decentralisation systems more effective.”¹⁰⁶

Paris:

The risks of diminished fiscal autonomy were highlighted during the Committee’s fact-finding visit to Paris. Although France has undergone three major waves of decentralisation that have transferred significant competencies to regional and local authorities, we heard from some experts that this has coincided with a systematic reduction in local fiscal autonomy. Our interlocutors explained that this has been driven primarily by the progressive abolition of local taxes, such as the *taxe d’habitation* (housing tax for primary residences) and the *taxe professionnelle* (local business tax). These have largely been replaced by a complex system of central government transfers and a share of national taxes.¹⁰⁷ As a result, local authorities in the Paris region, from communes to the Regional Council of Île-de-France, have become increasingly dependent on central government transfers, limiting their ability to make independent fiscal decisions and invest strategically in line with local priorities.

Our interlocutors argued that this leads to decentralisation without fiscal responsibility. Local revenues derived from own taxation have declined from approximately 60 per cent of total local budgets in 2000 to less than 45 per cent in 2024.¹⁰⁸ We heard that this growing reliance on central government funding complicates planning and coordination in

¹⁰² OECD (2019), [Making Decentralisation Work: A Handbook for Policy-Makers](#), pp. 143-150.

¹⁰³ OECD (2019), [Making Decentralisation Work: A Handbook for Policy-Makers](#), p. 39.

¹⁰⁴ OECD (2019), [Making Decentralisation Work: A Handbook for Policy-Makers](#), p. 12.

¹⁰⁵ OECD (2019), [Making Decentralisation Work: A Handbook for Policy-Makers](#), p. 16.

¹⁰⁶ OECD (2019), [Making Decentralisation Work: A Handbook for Policy-Makers](#), p. 16.

¹⁰⁷ Cour des comptes (2023), [Annual Public Report 2023: Decentralisation, 40 years on](#), p. 22.

¹⁰⁸ Cour des comptes (2023), [Annual Public Report 2023: Decentralisation, 40 years on](#). Assemblée Nationale (2025), [Rapport sur la situation des finances publiques locales: Annexe au projet de loi de finances pour 2025](#).

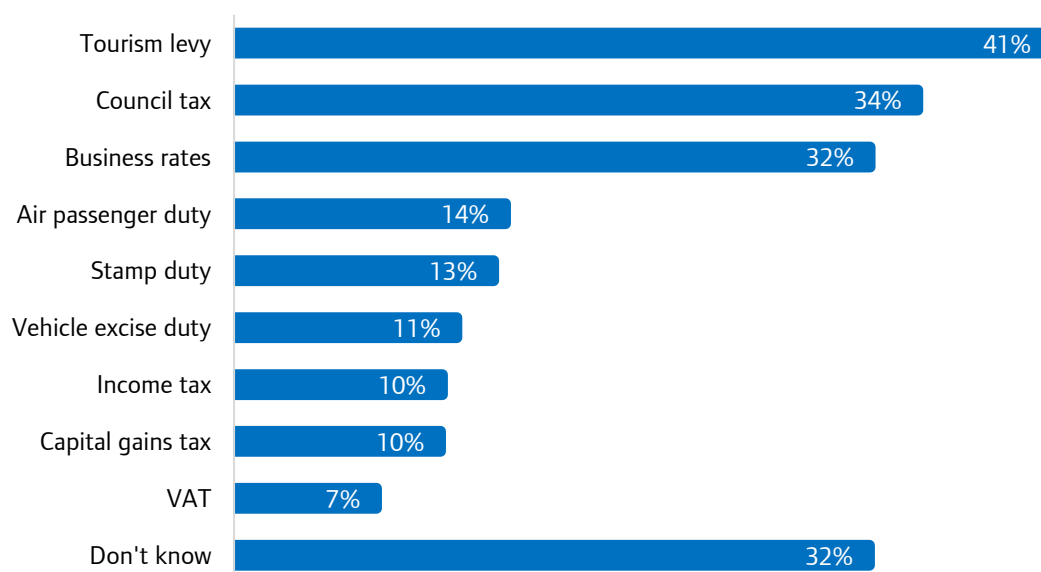
the Paris region, as local authorities must align with national budgetary priorities rather than respond directly to local needs through autonomous fiscal mechanisms.

We consider that these examples underscore a critical lesson for London: without meaningful fiscal devolution, there are real and significant risks that accountability will be undermined, strategic investment constrained, and public trust in government eroded.

Londoners' views on fiscal devolution

As part of our investigation, we asked a representative sample of Londoners for their views on fiscal powers. When asked about the level of control the office of the Mayor of London should have over taxes in London and how the money is spent, 26 per cent supported the Mayor getting more control over taxes and how the money is spent, while 32 per cent supported maintaining the current system, and a further 26 per cent did not know. Only 16 per cent of Londoners believed that the Mayor should have less control over taxes and how the money is spent.¹⁰⁹ When prompted, Londoners were most supportive of the Mayor having control of a potential tourism levy (41 per cent), council tax (34 per cent), and business rates (32 per cent).¹¹⁰ These results are illustrated in figure 2.

Figure 2: Londoners' views on potential taxes to devolve to the Mayor of London¹¹¹



Recommendation 1

We call on the Government to amend the English Devolution and Community Empowerment Bill as it passes through Parliament to include a provision enabling the Secretary of State to devolve revenue-raising powers to the GLA in future. Any future devolution of fiscal powers to the GLA should follow formal consultation with the Mayor of London and the London Assembly.

¹⁰⁹ Greater London Authority (2025), [London Devolution Polling – June 2025](#), Question 4.

¹¹⁰ Greater London Authority (2025), [London Devolution Polling – June 2025](#), Question 5.

¹¹¹ Greater London Authority (2025), [London Devolution Polling – June 2025](#), Question 5 asked: "If the office of the Mayor of London were to be given more control over taxes raised in London, which of the following taxes do you think the Mayor of London should have more control of? Please select up to three."

Tourism levy

The case for a tourism levy

During our investigation, we found that a tourism levy on overnight accommodation is a promising potential revenue source that could generate revenues to support infrastructure that would benefit both Londoners and tourists alike. Tourism levies on overnight stays are commonplace in other global cities and London is an outlier in not having one. The second London Finance Commission and the GLA Oversight Committee's 2023 report on devolution recommended exploring the introduction of a tourism levy.¹¹² Our survey demonstrated strong support for this measure amongst Londoners, with 41 per cent of those surveyed expressing support for the Mayor to have control over a tourism levy.¹¹³ It is also supported by the Chair of London Councils, Cllr Claire Holland, who expressed support for a tourism levy during our investigation.¹¹⁴

We heard compelling reasons for introducing a tourism levy in London. David Phillips (Associate Director, Institute for Fiscal Studies) outlined two important grounds. The first is that tourism imposes negative social costs, such as congestion or degradation of local infrastructure, which should be paid for by tourists and tourist operators rather than Londoners. The second is that capital investment is required to improve London's tourism infrastructure. Since tourists do not pay taxes in the UK, there are weaker democratic and financial incentives to invest in the infrastructure that tourists require and value. Over the long term, insufficient investment will negatively affect the attractiveness of London as a tourism destination.¹¹⁵

In June 2025, the Mayor of London co-signed a letter with five other metro mayors calling on the Government to grant them devolved powers to implement a tourism levy. They requested that the Government include enabling legislation either in the English Devolution and Community Empowerment Bill or in a specific Finance Bill.¹¹⁶ The statement highlights that London "sees a significant spillover of tourist spending into other UK regions" and that "a levy could support a sector that accounts for 1 in 7 jobs and nearly 12% of the capital's economy."¹¹⁷ The Mayors also emphasised the urgency of this request, "especially as devolved governments in Scotland and Wales move ahead with their own tourism levies, leaving English regions at risk of falling behind."¹¹⁸ The Mayor of London stated:

"London attracts millions of visitors every year who come here to experience our world class museums and galleries, visit our historic attractions and enjoy an amazing array of sporting events. [...] A modest overnight accommodation levy, similar to other

¹¹² London Finance Commission (2017), [Devolution: a capital idea](#), p. 59. GLA Oversight Committee (2023), [Devolution in London](#), pp. 23-25.

¹¹³ Greater London Authority (2025), [London Devolution Polling – June 2025](#), Question 5.

¹¹⁴ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, p. 4.

¹¹⁵ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 19.

¹¹⁶ Liverpool City Region Combined Authority (2025), ['Mayors unite in call for visitor levy powers to drive regional growth'](#).

¹¹⁷ Liverpool City Region Combined Authority (2025), ['Mayors unite in call for visitor levy powers to drive regional growth'](#).

¹¹⁸ Liverpool City Region Combined Authority (2025), ['Mayors unite in call for visitor levy powers to drive regional growth'](#).

*international cities, would boost our economy, deliver growth and help cement London's reputation as a global tourism and business destination.*¹¹⁹

Meaningful engagement with businesses and tourism sector stakeholders will be essential to the success of a tourism levy. Rob Anderson highlighted that “there are a lot of sectoral concerns within London, like a levy on hoteliers, and that is a conversation that will have to be had, and a debate will have to be made.”¹²⁰ These concerns can be addressed by reassuring sectoral stakeholders that revenues from the tourism levy will be ringfenced for reinvestment in infrastructure and services that will strengthen the sector. This includes infrastructure that visitors and Londoners rely on, international marketing to boost London's competitiveness, and skills development and business growth initiatives.¹²¹ We welcome the Mayor's commitment to use the revenues from any future tourism levy for these purposes:

*“My promise to the hotels, Airbnbs and so forth, is the money would be used to improve the environment around that to encourage more tourists. What would be unfair is if money was raised and was spent elsewhere and people did not see the benefits of the monies being raised locally or regionally.”*¹²²

Tourism levies in the devolved nations

In Scotland, the Visitor Levy (Scotland) Act became law in July 2024.¹²³ This legislation allows councils in Scotland to tax paid overnight accommodation. The Act sets out some requirements for the levy, which include that:¹²⁴

- The levy must be a percentage of an overnight stay in some types of overnight accommodation.
- Before a levy can be introduced, the local authority must consult with local communities, businesses and tourist organisations.
- Revenue generated by the levy must be used to develop, support, or sustain local facilities and services substantially used by businesses and leisure visitors.

In January 2025, the City of Edinburgh Council declared that it would introduce Scotland's first visitor levy. This will apply from 24 July 2026 and will result in a 5 per cent levy being applied to the cost of overnight accommodation in Edinburgh, capped at the first five nights' stay.¹²⁵

On 8 July 2025, the Welsh Parliament voted to pass the Visitor Accommodation (Register and Levy) Etc. (Wales) Bill.¹²⁶ This will enable local authorities to choose whether to introduce a levy on overnight stays in visitor accommodation. Under the legislation, local authorities will be required to “consult with their communities before doing so”.¹²⁷ Where a visitor levy is

¹¹⁹ Liverpool City Region Combined Authority (2025), [‘Mayors unite in call for visitor levy powers to drive regional growth’](#).

¹²⁰ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 20.

¹²¹ Liverpool City Region Combined Authority (2025), [‘Mayors unite in call for visitor levy powers to drive regional growth’](#).

¹²² Greater London Authority (2025), [MQT 2025/1173](#), 2 April 2025.

¹²³ Scottish Parliament (2024), [Visitor Levy \(Scotland\) Bill](#).

¹²⁴ Scottish Parliament Information Centre (2023), [‘Visitor Levy \(Scotland\) Bill’](#), SPICe Briefing.

¹²⁵ The City of Edinburgh Council (2025), [‘Edinburgh Visitor Levy’](#).

¹²⁶ Welsh Parliament (2025), [Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill](#).

¹²⁷ Welsh Government (2025), [‘Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill’](#).

introduced, the levy rate will be a per person per night charge on overnight accommodation, set at £1.30 per person per night in most accommodation types except for campsites and hostels, where a reduced rate of £0.75 will be charged.¹²⁸

Tourism levies in global cities

During our investigation, we heard from several global cities that already operate a tourism levy. The experiences of these cities provide valuable lessons for designing a tourism levy in London, which are discussed in further detail below.

Learning from international examples: Tourism levies in global cities

Paris:

The City of Paris operates a tourism tax (*taxe de séjour*) payable by all non-residents staying in paid overnight accommodation. According to the City of Paris, the tourism tax benefits all tourism sector stakeholders by improving the attractiveness of Paris as a tourist destination, enhancing the quality of services and infrastructure available to tourists, and ensuring the city has resources specifically allocated to tourism development and promotion.¹²⁹ Tourism tax rates are set per person per night and vary depending on the type of accommodation occupied. In 2023, the tourism tax generated €118 million (approximately 1.2 per cent of the City of Paris's total current revenues). The City of Paris expects that this will rise to €135 million in 2025 due to the increased number of tourists visiting Paris following the 2024 Olympic and Paralympic Games.¹³⁰

During the Committee's fact-finding visit to Paris, we learned that the City of Paris is restricted from setting the tourism tax rate as this is determined by the French Government. Representatives from the City of Paris explained how this limits the city's ability to recoup the substantial costs associated with hosting major events and maintaining its appeal to tourists, including by providing services such as street cleaning. Despite Paris's global attractiveness for tourists, we heard that the city does not receive revenues to match the financial burden it bears. A key lesson for any future tourism levy in London is the need to provide the GLA with flexibility to set the rate of the levy.

New York:

New York City operates a hotel unit fee, which applies to all overnight stays in the city. This is charged at a rate of \$1.50 per unit per day in addition to the state and local sales taxes that apply to hotel occupancy. The hotel unit fee itself is not subject to state and local sales taxes.¹³¹ Unlike in other global cities, the revenues from the hotel unit fee are not ringfenced for specific purposes. In the 2024 fiscal year, hotel room occupancy taxes generated \$725.1 million, representing 1 per cent of New York City's total tax revenue.¹³²

¹²⁸ Welsh Government (2025), '[Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Bill](#)'.

¹²⁹ Ville de Paris (2025), '[Taxes et impôts](#)'.

¹³⁰ Ville de Paris (2024), '[Budget : Paris maintient son engagement pour répondre aux crises climatiques et du logement](#)'.

¹³¹ New York State (2025), '[Hotel and Short-Term Rental Unit Occupancy: Tax Bulletin ST-331](#)'.

¹³² In the 2024 fiscal year, hotel room occupancy taxes generated \$725.1 million in revenue for the New York City Government out of \$74.2 billion in total tax revenue. The City of New York (2024), '[Annual Comprehensive Financial Report of the Comptroller for the Fiscal Years Ended June 30, 2024 and 2023](#)', p. 259.

During an informal meeting with a Member of the New York City Council, we heard that there was no significant opposition to the introduction of the hotel unit fee. We also heard the view that most New Yorkers support taxing tourism to raise revenue for supporting other services in the city. The New York City Government engaged closely with hotel workers' unions and hotel owners in the introduction of the fee.

Berlin:

The Berlin State Government has operated a City Tax since 1 January 2014. As of 1 January 2025, the rate is 7.5 per cent of the net price of a room in any type of short-term paid accommodation. The accommodation provider is responsible for collecting the tax and passing it on to the State Government.¹³³ In 2023, the City Tax generated €58.7 million, representing 0.2 per cent of the State Government's tax income.¹³⁴

During an informal meeting with a representative of the Senate Chancellery of Berlin, we learned that although the revenues from most taxes in Berlin are not ringfenced, the City Tax is an exception. The revenues raised must be invested in infrastructure and services that enhance Berlin's attractiveness for tourists.

Milan:

The Municipality of Milan operates a tourism levy charged at a flat rate that varies by accommodation type. All revenues are retained locally and are used to finance "tourist services as well as the recovery and/or maintenance of the cultural and environmental assets of the city".¹³⁵ In 2023, the levy generated €62.7 million, which was 1.8 per cent of the Municipality's current revenues.¹³⁶ Milan introduced the levy in 2012, following national legislation passed the previous year. The city sets its own rates within limits defined by national regulations. The Municipality is seeking permission from the Italian Government to raise the rates during the 2026 Winter Olympic and Paralympic Games.¹³⁷

The Municipality of Milan informed the Committee that the levy had "no negative impact whatsoever on tourist flows."¹³⁸ According to data shared with the Committee, tourist arrivals have more than doubled since the introduction of the levy – from 4.3 million in 2012 to 9.1 million in 2024. In the same period, overnight stays have risen from 9.1 million to 18 million.¹³⁹

¹³³ Senatsverwaltung für Finanzen (n.d.), ['FAQ Übernachtungssteuer \(City Tax\)'](#) (accessed 2 July 2025).

¹³⁴ According to figures published by the Berlin State Department of Finance, in 2023, Berlin's City Tax (*Übernachtungssteuer*) generated €58.7 million out of total tax revenues of €26.4 billion. Senatsverwaltung für Finanzen (n.d.), ['Steuereinnahmen 2023'](#) (accessed 2 July 2025).

¹³⁵ Municipality of Milan (n.d.), ['Tourist tax: information'](#) (accessed 11 August 2025).

¹³⁶ According to figures published by the Municipality of Milan, in 2023, Milan's tourism levy (*Imposta di soggiorno*) generated €62.7 million out of total current revenues of €3.4 billion. Municipality of Milan (2024), [Relazione dell'organo di revisione 2023](#), pp. 15-16.

¹³⁷ [Response by the Municipality of Milan to supplementary questions](#) by the GLA Oversight Committee following its meeting on 12 June 2025, p. 1.

¹³⁸ [Response by the Municipality of Milan to supplementary questions](#) by the GLA Oversight Committee following its meeting on 12 June 2025, p. 1.

¹³⁹ [Response by the Municipality of Milan to supplementary questions](#) by the GLA Oversight Committee following its meeting on 12 June 2025, p. 1.

The Municipality informed us that hotel associations were initially reluctant, citing concerns about inconvenience to travellers and the additional administrative burdens. The city addressed these concerns by introducing a digital platform for tax registration, which made “dealing with the matter less time-consuming and the tax became routine for hotels.”¹⁴⁰ This highlights the importance of close engagement with tourism sector stakeholders to ensure the successful implementation of a tourism levy.

Toronto:

The City of Toronto operates a Municipal Accommodation Tax (MAT), which applies to short-term accommodation providers at a rate of 6 per cent of the room cost per night.¹⁴¹ Between 1 June 2025 and 31 July 2026, this rate temporarily increased to 8.5 per cent to help fund the costs of hosting the 2026 FIFA World Cup.¹⁴² In 2024, the MAT generated \$118.1 million,¹⁴³ and the current temporary increase is expected to raise an additional \$56.6 million.¹⁴⁴

Revenues from the MAT are ringfenced to fund Destination Toronto, which directly supports the tourism industry, as well as investments in services and infrastructure that benefit tourism, such as transport, culture, parks, and natural areas.¹⁴⁵

Prior to introducing the MAT in 2018, the City of Toronto conducted public and tourism sector stakeholder consultations on the City's Long Term Financial Direction in 2016. These discussions explored various revenue options, including a hotel tax. Most public respondents (65 per cent) supported a hotel tax as a revenue-raising tool. Later consultations concluded that short-term rentals should be taxed at the same rate as hotels to ensure fairness.¹⁴⁶ The City continues to engage Destination Toronto and the Greater Toronto Hotel Association in matters related to the MAT.¹⁴⁷

Moving forward with a tourism levy in London

According to analysis conducted by GLA Economics in 2017 to inform the second London Finance Commission, a tourism levy in London could generate between £77 million and £240 million per year, depending on its design.¹⁴⁸ Table 1 presents the revenues generated by tourism levies in other global cities, based on our examination of the most recent data available.

¹⁴⁰ [Response by the Municipality of Milan to supplementary questions](#) by the GLA Oversight Committee following its meeting on 12 June 2025, p. 1.

¹⁴¹ City of Toronto (n.d.), [‘Municipal Accommodation Tax \(MAT\)’](#) (accessed 11 August 2025).

¹⁴² City of Toronto (2024), [By-Law 1259-2024](#).

¹⁴³ City of Toronto (2025), [Operating Variance Report for the Year Ended December 31, 2024](#), p. 17.

¹⁴⁴ City of Toronto (2025), [2025 Budget Notes: FIFA World Cup 2026 Toronto](#), p. 3.

¹⁴⁵ City of Toronto (n.d.), [‘Municipal Accommodation Tax \(MAT\)’](#) (accessed 11 August 2025).

¹⁴⁶ City of Toronto (2018), [Implementation of Municipal Accommodation Tax \(Hotel and Short-Term Rental Tax\)](#), p. 12.

¹⁴⁷ [Response by the City of Toronto to supplementary questions](#) by the GLA Oversight Committee following its meeting on 12 June 2025, p. 2.

¹⁴⁸ GLA Economics (2017), [‘Options for a tourism levy for London: A publication for the London Finance Commission’](#), Working Paper 83, p. 3.

Table 1: Annual revenue generated by tourism levies in other global cities

City	Tourism levy name	Annual revenue (local currency) ¹⁴⁹	Annual revenue (GBP equivalent) ¹⁵⁰
Berlin (2023)	City Tax	€58.7 million	£51.0 million
Milan (2023)	Imposta di soggiorno	€62.7 million	£54.5 million
New York (2024)	Hotel room occupancy tax	\$725.1 million	£575.9 million
Paris (2023)	Taxe de séjour	€118.0 million	£102.6 million
Toronto (2024)	Municipal Accommodation Tax	\$118.1 million	£67.5 million

The experiences of other global cities in implementing various forms of tourism levies provide key learnings for London:

- 1. Rate-setting powers are essential:** Based on the experience of Paris, it is crucial that any future tourism levy in London will provide the Mayor with flexibility to set a rate that sufficiently meets the costs of supporting London's tourism sector. In setting this rate, the Mayor should consult with London boroughs and the London Assembly.
- 2. Ringfencing revenues for tourism purposes:** The experience of cities like Paris, Milan, and Toronto in ringfencing tourism levy revenues for tourism-related services and infrastructure ensures transparency, builds support amongst the public and the tourism sector, and directly improves the tourist experience.
- 3. Stakeholder engagement is critical:** Milan, New York, and Toronto worked closely with tourism sector stakeholders, unions, and the public when implementing tourism levies. The GLA should engage with stakeholders to build consensus around the need for a tourism levy, address concerns, and ensure smooth implementation.
- 4. No evident impact on tourism demand:** The experience of Milan and Toronto shows that tourism levels have not been negatively affected following the introduction of their tourism levies. London can be confident that a modest, targeted levy is unlikely to harm its competitiveness as a global tourism destination.
- 5. Temporary rate adjustment for major events:** The experience of Milan and Toronto demonstrate how the possibility to set tourism levy rates flexibly could help London meet one-off exceptional costs in hosting future major cultural and sporting events.

¹⁴⁹ Berlin: Senatsverwaltung für Finanzen (n.d.), '[Steuereinnahmen 2023](#)' (accessed 2 July 2025). Milan: Municipality of Milan (2024), '[Relazione dell'organo di revisione 2023](#)', pp. 15-16. New York: The City of New York (2024), '[Annual Comprehensive Financial Report of the Comptroller for the Fiscal Years Ended June 30, 2024 and 2023](#)', p. 259. Paris: Ville de Paris (2024), '[Budget : Paris maintient son engagement pour répondre aux crises climatiques et du logement](#)'. Toronto: City of Toronto (2025), '[Operating Variance Report for the Year Ended December 31, 2024](#)', p. 17.

¹⁵⁰ The GBP equivalent of each currency was calculated using historical data published by the Bank of England on the daily spot exchange rates against Sterling. For Berlin, Milan, and Paris, the revenues listed were generated between 1 January 2023 and 31 December 2023. The average GBP/EUR exchange rate during that period was 1.1500. For New York, the revenues listed were generated between 1 July 2023 and 30 June 2024. The average USD/GBP exchange rate during that period was 1.2591. For Toronto, the revenues listed were generated between 1 January 2024 and 31 December 2024. The average CAD/GBP exchange rate during that period was 1.7509. The data used for these calculations can be downloaded from: Bank of England (n.d.), '[Daily spot exchange rates against Sterling](#)' (accessed 2 September 2025).

It is our understanding that, under the provisions of the English Devolution and Community Empowerment Bill (as introduced), a tourism levy could not be established through secondary legislation, as this is not currently an “eligible function” of other public authorities in England.¹⁵¹ Enabling the GLA to implement a tourism levy would require either an amendment to the Bill during its passage through Parliament or the introduction of a separate finance bill.

Recommendation 2

We call on the Government to amend the English Devolution and Community Empowerment Bill as it passes through Parliament or, if necessary, introduce a specific finance bill during the next parliamentary session, to enable the GLA to implement a tourism levy on overnight accommodation, with revenues ringfenced for investing in infrastructure and services that enhance London's appeal as a place to live and visit. This should take place in time for the levy to be operational by the beginning of the 2027-28 financial year.

Recommendation 3

We call on the Mayor to launch a formal engagement process with the London Assembly, London Councils, business representatives, and tourism sector stakeholders to build consensus around a proposal to introduce a tourism levy on overnight accommodation and ensure smooth implementation. This process should be launched by the end of 2025. By the end of 2026, the Mayor should finalise and submit a detailed proposal to HM Treasury, the Ministry of Housing, Communities and Local Government, and the Department for Culture, Media and Sport, demonstrating London's readiness to implement the levy by the beginning of the 2027-28 financial year.

Tax Increment Financing

Tax increment financing (TIF) is a funding mechanism that can be used to finance large infrastructure projects. It allows funds to be borrowed upfront to deliver new infrastructure projects, with the expectation that this investment will lead to increased property values and economic activity.¹⁵² The additional tax revenues generated – typically from business rates or property-based taxes – are then used to repay the borrowed funds over a fixed period.¹⁵³ This means that TIF uses the anticipated future financial benefits of a new infrastructure project to fund the upfront costs of delivering it. TIF has only been used once on a large scale in the UK to part-finance the Northern line extension to Battersea, but it is a mechanism that is commonly used in the United States.¹⁵⁴

¹⁵¹ The explanatory notes of the English Devolution and Community Empowerment Bill explain that: “Part 1 of Schedule 23 enables regulations to provide for an “eligible function” to be conferred on a class of strategic authorities or the mayors for such a class. An “eligible function” is an existing function of a public authority (which expressly includes ministers but is otherwise undefined and so would include local councils and public bodies).” UK Parliament (2025), [English Devolution and Community Empowerment Bill: Explanatory Notes](#), p. 153.

¹⁵² Greater London Authority (2009), [MQT 2009/1619](#), 21 June 2009.

¹⁵³ Greater London Authority (2009), [MQT 2009/2074](#), 19 July 2009.

¹⁵⁴ BusinessLDN (2025), [Generating land value to grow London: A new residential funding approach](#), p. 6.

The case for TIF

Our investigation found that TIF offers a promising way to finance long-term infrastructure development in London. The ability to use TIF as a financing mechanism has been a long-standing call from the GLA, spanning both the previous and current mayoral administrations.¹⁵⁵ Drawing on international experience, BusinessLDN notes that TIF is widely used in the United States to fund “housing, redevelopment and economic growth”.¹⁵⁶ It outlines that this is enabled by the devolved federal system of government in the US, which provides greater control over taxation at the local level and stronger incentives to invest in local infrastructure.¹⁵⁷ As highlighted in a recent report, it is essential to provide London with the powers and incentives it needs to fund infrastructure at the local level.¹⁵⁸

London has already demonstrated the potential of TIF with the Northern line extension to Battersea. This project was partly funded by a £1 billion TIF scheme, which captured the incremental business rates generated and retained within a new enterprise zone.¹⁵⁹ This was part of a broader funding package that included developer contributions under the Section 106 agreements and the Community Infrastructure Levy regime.¹⁶⁰ As BusinessLDN notes, the Northern line extension enabled commercial development that “would not have taken place to the same scale or density” without the new transport infrastructure.¹⁶¹ Cllr Claire Holland highlighted the scheme as proof that “we could be self-sufficient and autonomous as London in bringing that new infrastructure that we really need.”¹⁶²

Barriers to implementing TIF

Despite the success of the Northern line extension, our investigation found that negotiating TIF schemes remains complex. Richard Watts welcomed the Northern line extension as “the only major TIF scheme anywhere in the country at the moment”, but noted that it took two years for the former Mayor to negotiate it with the Treasury.¹⁶³ He emphasised that borrowing under TIF depends on convincing the Government of repayment, and that “an inherent scepticism [...] in Treasury that these funds repay themselves” remains a barrier to scaling up the TIF model.¹⁶⁴

“If we are looking at that on any scale or raising up, say, a £9 billion Bakerloo line extension scheme, then you are looking at enormously prohibitive levels of complexity going into this.”¹⁶⁵

Moving forward with expanding the use of TIF

To expand the use of TIF, the GLA needs to make a strong case for it that builds trust with Government. Richard Watts suggested that the success of the Elizabeth line and Northern line

¹⁵⁵ Greater London Authority (2009), [MQT 2009/1619](#), 21 June 2009. London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 6.

¹⁵⁶ BusinessLDN (2025), [Generating land value to grow London: A new residential funding approach](#), p. 6.

¹⁵⁷ BusinessLDN (2025), [Generating land value to grow London: A new residential funding approach](#), p. 6.

¹⁵⁸ Labour Together and YIMBY Alliance (2025), [London Unchained](#).

¹⁵⁹ Transport for London (2013), [Northern line extension – Factsheet 1: Funding and finance](#), p. 1.

¹⁶⁰ Transport for London (2013), [Northern line extension – Factsheet 1: Funding and finance](#), p. 1.

¹⁶¹ BusinessLDN (2025), [Generating land value to grow London: A new residential funding approach](#), p. 6.

¹⁶² London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, p. 4.

¹⁶³ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 6.

¹⁶⁴ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 6.

¹⁶⁵ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 6.

extension in attracting new passengers can help demonstrate how transport investment unlocks development and generates new revenues.¹⁶⁶ During a Budget and Performance Committee meeting on financing new transport infrastructure in London, Professor Tony Travers emphasised the need to simplify the process for negotiating new TIF schemes:

*"[...] it would be far better for London, given its propensity to deliver these projects, if the Government were to make it easier for TfL – and it might not only be for transport, but certainly with transport – to say, 'Look, here's a TIF model that we can enact at Old Oak or we can enact at Euston', and we do not have to spend years and years and years of negotiating it with the Treasury every single time."*¹⁶⁷

We believe the Government should enable the Mayor and boroughs to grow London's tax base by encouraging development. BusinessLDN recently argued that greater fiscal devolution could incentive further investment in infrastructure projects through TIF and "allow the approach to be adopted more broadly."¹⁶⁸ Richard Watts also proposed that commercial regeneration projects like the one on Oxford Street could be funded by borrowing against the additional VAT revenue they will generate, which in this case is estimated at £80 million annually.¹⁶⁹

We understand there has been significant engagement between the GLA and Government on potential mechanisms for financing infrastructure in London.¹⁷⁰ Given the need for London to move forward at pace with developing critical infrastructure, a clearer, standardised model for TIF is required as a matter of urgency.

Borrowing against future revenues must be done with due consideration of both the benefits and any risks. TIF has demonstrated its clear value in London, and it should become one of the established mechanisms available to a Mayor seeking to invest in critical infrastructure projects. In order to unlock the economic growth and development the Government seeks, it should now take steps to make this a more accessible and reliable option for mayors. In this context, we note an upcoming report from the London Assembly Budget and Performance Committee, which also considers the merits of TIF.

Recommendation 4

We call on the Government to work with the Mayor of London to explore and develop a standardised model for tax increment financing (TIF). This model should enable the GLA to fund critical infrastructure by capturing new revenue streams – such as business rates or VAT – generated by the development that the infrastructure unlocks. This standardised model for TIF should be developed by the end of 2026.

¹⁶⁶ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 6.

¹⁶⁷ London Assembly, [Budget and Performance Committee Transcript](#), 22 July 2025, p. 30.

¹⁶⁸ BusinessLDN (2025), [Generating land value to grow London: A new residential funding approach](#), p. 6.

¹⁶⁹ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 6-7.

¹⁷⁰ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 7.

Further recommendations to strengthen London's fiscal powers

This report acknowledges the recommendations that have previously been made to strengthen fiscal devolution in London. These include the recommendations of the first and second London Finance Commissions, as well as the GLA Oversight Committee's 2023 report, *Devolution in London*.¹⁷¹ While we understand that moving forward with any of these bolder proposals would take time, our investigation raised the importance of revisiting these as part of any future fiscal devolution to London.

Business rates

Business rates are a property tax applied to all non-residential properties in England. They are administered, collected, and enforced in London by the 32 boroughs and the City of London Corporation. The revenues raised are used to fund services such as adult social care, children's services, fire, and waste management.¹⁷²

Under the business rate retention system, local authorities keep a proportion of the local tax revenue raised from businesses in their area. The GLA currently retains 37 per cent of the business rates collected in London under this system. The remainder is paid to the Government to be redistributed centrally and provide grant funding for local authorities.¹⁷³ According to the GLA's Final Consolidated Budget for 2025-26, gross business rates income for the GLA Group is estimated at £3.74 billion, which decreases to £2.87 billion after a tariff and a levy payable to the Government on business rates growth.¹⁷⁴

Both London Finance Commission reports and the GLA Oversight Committee's 2023 devolution report called for a reform of business rates.¹⁷⁵ Our survey for this investigation found strong support amongst Londoners for the Mayor having greater control over business rates and how the revenues are spent, with 32 per cent in favour of increased mayoral powers in this area.¹⁷⁶ The Mayor has confirmed that he is "lobbying the Government for [London] to be able to retain 100 percent of growth" in business rates, as per a 2018-19 pilot.¹⁷⁷ He argued that this gave London "that element of fiscal devolution that allowed us to be able to spend in those key projects" in areas such as growth and infrastructure.¹⁷⁸

The Government is currently consulting on proposed changes to the business rates system, which has grown increasingly complex in recent years. These changes are to be announced in the provisional Local Government Finance Settlement in late 2025 and to be implemented from April 2026.¹⁷⁹

¹⁷¹ London Finance Commission (2013), *Raising the Capital*; London Finance Commission (2017), *Devolution: a capital idea*; and GLA Oversight Committee (2023), *Devolution in London*.

¹⁷² Greater London Authority (2025), *The Mayor's Budget Guidance 2026-27 (July 2025)*, p. 30.

¹⁷³ Greater London Authority (2025), *The Mayor's Budget Guidance 2026-27 (July 2025)*, pp. 30-31.

¹⁷⁴ Greater London Authority (2025), *Greater London Authority Final Consolidated Budget 2025-26*, p. 8.

¹⁷⁵ London Finance Commission (2013), *Raising the Capital*; London Finance Commission (2017), *Devolution: a capital idea*; and GLA Oversight Committee (2023), *Devolution in London*.

¹⁷⁶ Greater London Authority (2025), *London Devolution Polling – June 2025*, Question 5.

¹⁷⁷ Greater London Authority (2025), *MQT 2025/1173*, 2 April 2025.

¹⁷⁸ Greater London Authority (2025), *MQT 2025/1173*, 2 April 2025.

¹⁷⁹ Greater London Authority (2025), *The Mayor's Budget Guidance 2026-27 (July 2025)*, p. 31.

Since 2017-18, the GLA has been part of a business rates pilot that replaced grant funding from several central government sources with an increased share of retained business rate income, which rose from 20 per cent to 37 per cent.¹⁸⁰ However, the Mayor's Budget Guidance for 2026-27 notes that "there is no confirmation these pilot arrangements will continue after the planned reset, or on what basis, which adds significant uncertainty to the forecast retained business rates expected in the [2026-27] Budget Period."¹⁸¹

David Phillips contended that London has benefited from the current system since it received "quite a bit above baseline funding growth" when grant funding was replaced with the increased retention rate.¹⁸² However, he cautioned that this could change with the forthcoming reset, adding that "Councils are very concerned about that. It is a big part of their budgets. The GLA will need to look at that as well."¹⁸³ The Mayor's Budget Guidance for 2026-27 similarly notes that "the impact of the funding reforms on the GLA cannot be accurately estimated until publication of the provisional [Local Government Finance Settlement]."¹⁸⁴

Other cities in England have secured favourable business rates deals. The trailblazer deals agreed between the Government and the Greater Manchester and West Midlands Combined Authorities in March 2023 enabled them to retain 100 per cent of the growth in business rates for ten years.¹⁸⁵ Direct comparisons are not necessarily helpful here. Richard Watts noted that "the sums involved compared to London are miniscule", adding that there is an ongoing conversation "about how London keeping a greater share of its business rates can correspond with other spending decisions the Government has at the moment."¹⁸⁶ However, external contributors expressed strong support for restoring the 100 per cent retention rate used in the 2018-19 pilot, including Rob Anderson from Centre for London, who argued that "[HM] Treasury nervousness" was not "a good rationale for thinking about how to do fiscal policy".¹⁸⁷

Given that London contributes over £40 billion more in tax revenue to Government than it receives in public spending each year,¹⁸⁸ it is essential that the capital retains at least its current share of business rates. This is vital to ensure the GLA and London boroughs can meet the complex and growing needs of Londoners. While we recognise the Government's focus on redistribution, we also support the Mayor's call for the GLA to retain 100 per cent of business rates growth if it is to achieve the Government's devolution goals. Safeguarding London's

¹⁸⁰ The Mayor's Budget Guidance for 2026-27 notes that the grant sources replaced were "all former fire and rescue funding GLA general funding, TfL's former DfT general and investment (capital) grants, and MOPAC's share of prior year council tax freeze grants". Greater London Authority (2025), [The Mayor's Budget Guidance 2026-27 \(July 2025\)](#), p. 32.

¹⁸¹ Greater London Authority (2025), [The Mayor's Budget Guidance 2026-27 \(July 2025\)](#), p. 32.

¹⁸² London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 5.

¹⁸³ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 5.

¹⁸⁴ Greater London Authority (2025), [The Mayor's Budget Guidance 2026-27 \(July 2025\)](#), p. 32.

¹⁸⁵ Department for Levelling Up, Housing & Communities (2023), [Greater Manchester Combined Authority Trailblazer deeper devolution deal](#), para. 55. Department for Levelling Up, Housing & Communities (2023), [West Midlands Combined Authority Trailblazer deeper devolution deal](#), para. 45.

¹⁸⁶ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 8.

¹⁸⁷ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 13.

¹⁸⁸ In 2022-23 (the most recent data available), London raised £216.4 billion in revenue and received £172.8 in public spending, which meant London had a net fiscal surplus of £43.6 billion. London was only one of two regions or nations in the UK with a net fiscal surplus, the other being the South East. House of Commons Library (2025), ['London's contribution to the national economy'](#).

existing share of business rates must be the minimum priority in any reform to ensure there are incentives for local authorities in London to build up the tax base locally. This can also contribute to protecting London's thriving high streets and closing business rate loopholes.

Council tax

Council tax is a key income source for the GLA Group and is needed to fund essential public services in London. The Mayor's council tax precept, which funds the GLA Group including fire and transport services, and policing in the 32 London boroughs, is collected on behalf of the GLA by the boroughs and the City of London.¹⁸⁹ According to the GLA's Final Consolidated Budget for 2025-26, the Mayor has determined that the total council tax requirement for the GLA Group is £1.58 billion.¹⁹⁰

Both London Finance Commission reports and the GLA Oversight Committee's 2023 devolution report recommended that the full suite of property-based taxes, including council tax, be devolved to London's government.¹⁹¹ Our survey for this investigation found strong support amongst Londoners for the Mayor having greater control over council tax and how the revenues are spent, with 34 per cent in favour of increased mayoral powers in this area.¹⁹²

Although the Government is not currently seeking to fundamentally reform the council tax system, it has consulted this year on proposals to make changes to council tax billing, modernise council tax disregards, and review the process for collecting council tax.¹⁹³ From 1 April 2025, councils in England have been able to charge a council tax premium on second homes.¹⁹⁴ Taxes on second homes are in place in other global cities such as Berlin.¹⁹⁵

Our investigation found recognition of the need for council tax reform. Cllr Claire Holland described council tax as "an outdated tax that needs updating", adding that "we would like to see what local discretion that we could have on that on a regional basis."¹⁹⁶ Professor Tony Travers similarly argued that council tax is complicated and in need of urgent reform. However, he emphasised that this is unlikely to happen at the national level because successive UK Governments have consistently avoided council tax reform since its introduction. Instead, he suggested that reform would be more achievable if led within London since it would give London's government "an incentive to build up the tax base."¹⁹⁷

Despite this acknowledgement of the need for council tax reform, our investigation found that the Mayor's Office was hesitant to pursue this at present. Richard Watts described council tax reform in London as a "very radical" proposal, adding that "[we] want to pick our fights more carefully than that, if I am really honest."¹⁹⁸ Regarding the devolution of property taxes more

¹⁸⁹ Greater London Authority (2025), [The Mayor's Budget Guidance 2026-27 \(July 2025\)](#), p. 33.

¹⁹⁰ Greater London Authority (2025), [Greater London Authority Final Consolidated Budget 2025-26](#), p. 9.

¹⁹¹ London Finance Commission (2013), [Raising the Capital](#); London Finance Commission (2017), [Devolution: a capital idea](#); and GLA Oversight Committee (2023), [Devolution in London](#).

¹⁹² Greater London Authority (2025), [London Devolution Polling – June 2025](#), Question 5.

¹⁹³ MHCLG (2025), [Modernising and improving the administration of council tax](#).

¹⁹⁴ House of Commons Library (2025), [Why am I paying a council tax premium on my second home?](#)

¹⁹⁵ Senatsverwaltung für Finanzen (n.d.), [FAQ Zweitwohnungsteuer](#) (accessed 2 September 2025).

¹⁹⁶ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, p. 4.

¹⁹⁷ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, p. 19.

¹⁹⁸ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 7.

broadly, Richard Watts confirmed that the recommendations in both London Finance Commission reports remain the GLA's "fundamental set of asks."¹⁹⁹ However, he also acknowledged that progress has been limited because the Treasury views property taxes as essential for financing national spending and is reluctant to devolve them. He added that any devolution of property taxes "would require a lot of careful consideration and stakeholder engagement until we were further down the line in being able to get those powers."²⁰⁰

*"If [the devolution of property-based taxes] was on offer, then we think that would be sensible and it would bring London into line with other global cities. Londoners themselves would welcome the transparency and accountability that that would bring, but I have to say it is not on the table at the moment."*²⁰¹

Scrutinising future fiscal powers

The role of the London Assembly in scrutinising future fiscal powers

One of the London Assembly's core statutory responsibilities is to scrutinise the Mayor's budget.²⁰² At £22 billion, this is by far the largest of any metro mayor in England. Each year, the Mayor and Assembly conduct a statutory process by which the draft budget is proposed and reviewed by the relevant committee(s), followed by the plenary, where it is subject to potential amendment by the Assembly. This is discussed in further detail in chapter four.

If the Mayor's fiscal powers are strengthened in future, it is essential that the Assembly's scrutiny powers are strengthened in parallel to ensure transparency, accountability, and public trust in how funds are raised and spent. This view was reflected in the survey of Londoners conducted for this investigation. When asked whether the Assembly should receive more or fewer powers if the office of the Mayor were granted additional devolved powers, 66 per cent of Londoners supported maintaining or increasing the Assembly's powers – with 36 per cent favouring the London Assembly receiving more powers.²⁰³

Given the potential scale of funds involved in any future devolution of revenue raising powers, the Assembly must be empowered to play a formal role in the scrutiny of decisions to introduce new taxes or set tax rates. Without this, there is a risk that democratic oversight will lag behind the potential future fiscal powers of the Mayor. Given the unique role of the London Assembly as a scrutiny body, ensuring it has the powers to scrutinise any future fiscal powers devolved to the Mayor should also provide additional assurance to the Government that such powers will be exercised transparently, responsibly, and with appropriate democratic oversight.

International examples show how legislative bodies in other global cities play a central role in overseeing fiscal powers. In Berlin, the House of Representatives debates and passes the state budget, including decisions on tax rates. In New York, the City Council conducts detailed scrutiny of the Mayor's budget, including the setting of local tax rates within the limits set by State law. Further information on the fiscal scrutiny process in both cities can be found below.

¹⁹⁹ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 10.

²⁰⁰ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 10.

²⁰¹ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, pp. 10–11.

²⁰² Greater London Authority Act 1999, [Section 87](#) and [Schedule 6](#).

²⁰³ Greater London Authority (2025), [London Devolution Polling – June 2025](#), Question 6.

Learning from international examples: Scrutiny of fiscal powers

Berlin: The Berlin House of Representatives is the legislative branch of Berlin's government. One of its key functions is to pass the Berlin state budget, which amounted to approximately €39 billion in 2024.²⁰⁴ After discussion in its Budget Committee, the House of Representatives debates and passes the budget drafted by the executive branch of Berlin's government. The House of Representatives determines tax rates as part of the budget process. For example, in December 2024, it agreed on increasing the rates of Berlin's entertainment tax, the tax on second homes, and the City Tax (tourism tax).²⁰⁵

New York: One of the main responsibilities of the New York City Council is to negotiate the city's budget with the Mayor and approve its adoption. New York City's current budget for the 2025 financial year is \$120.8 billion.²⁰⁶ The New York City Government has a formalised annual budget process. This involves the City Council analysing the Mayor's Preliminary Budget by holding public hearings and identifying specific concerns through conversations with residents, advocates and city agencies. Following this, the Council issues a formal response to the Mayor's Preliminary Budget, which the Mayor must reflect in an updated Executive Budget. The Executive Budget is subject to further rounds of Council hearings, following which final adjustments are negotiated between the Mayor and the Council to agree on the Adopted Budget.²⁰⁷

These models demonstrate the importance of scrutiny in the budget and fiscal decision-making process. If London's future devolution settlement includes further fiscal devolution, the Assembly should be formally consulted on any new taxes or changes to tax rates, whether through the annual budget process or otherwise, to maintain democratic accountability.

Recommendation 5

We call on the Government to ensure that any additional fiscal powers devolved to the Mayor of London are accompanied by commensurate powers for the London Assembly to scrutinise them. Before any new fiscal powers are enacted, these should include a requirement that the London Assembly be consulted on decisions to introduce new taxes or amend tax rates, either through the annual budget scrutiny process or other comparable mechanisms.

²⁰⁴ Berlin.de (n.d.), '[Double budget draft 2024/25 adopted](#)' (accessed 2 July 2025).

²⁰⁵ Berlin.de (2024), '[Berlin House of Representatives adopts supplementary budget for 2025](#)'.

²⁰⁶ Mayor's Office of Management and Budget (2025), '[Adopted 2026 Financial Plan: Revenue 2025-2029](#)', pp. 2-3.

²⁰⁷ New York City Council (n.d.), '[The Budget Process](#)' (accessed 12 August 2025).

Chapter three: Securing London's governance structures

London's mayoral model

The GLA as an exceptional devolution model

In establishing the GLA, the Government and Parliament recognised that London requires an exceptional governance model that reflects its unique scale and economic, cultural, and political significance as the capital city of the UK. London's devolution settlement provides for a process of democratic accountability in the election of the Mayor and Assembly every four years. There is a powerful electoral mandate for whomever is elected Mayor, regardless of the political party they represent. In its first 25 years, this mayoral model has delivered major achievements for Londoners and become the blueprint for devolution in other English cities and regions.

We welcome the Government's recognition of the success of London's unique mayoral model and the need to preserve its "pre-existing bespoke London arrangements."²⁰⁸ We note the proposed return to using the Supplementary Vote system for elections for the Mayor of London in the English Devolution and Community Empowerment Bill.²⁰⁹ We recognise that the White Paper and the English Devolution and Community Empowerment Bill are primarily concerned with formalising devolved governance structures for cities and regions that currently have less advanced devolution arrangements than London. We heard from Dr Janice Morphet that while a central objective of the Government's devolution reforms is addressing fragmentation in local government across England, this should not be the primary focus for London. Instead, she recommended that it would be more productive for the Committee to focus its attention "on those elements which are absent, but which the Government seems to intend to be included [...] in the longer term."²¹⁰

Although we welcome the Government's recognition that London's devolution settlement has been broadly successful, London must not be forgotten in the Government's devolution reforms. We heard this from Dr Jack Newman, who outlined that although London's exceptional devolution settlement has generally been viewed as beneficial, there is a risk that this could become a weakness if it remains static:

*"The devolution model that is emerging now is one that is very dynamic. It is a ladder which different places are climbing. [...] There is a concern that, if London's model remains static, that other places may in the medium to longer term overtake it in certain powers and in certain functions."*²¹¹

Devolution in London should evolve in line with the changes elsewhere in England, but it is also crucial that London's future devolution settlement also continues to reflect the city's distinctiveness in the UK in terms of its scale and specific needs. In support of this, we heard

²⁰⁸ MHCLG (2024), [English Devolution White Paper](#), p. 36.

²⁰⁹ UK Parliament, [English Devolution and Community Empowerment Bill](#), Bill 283 2024-25 (as introduced), p. 256.

²¹⁰ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 2.

²¹¹ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 2.

stark warnings against attempts to apply uniform governance structures to different parts of the country with vastly different needs. For example, Dr Jack Newman warned:

*"There has been too much focus on trying to make one model fit for every place and that has caused unexpected problems when it clashes up against the number of constituent authorities, which in London is a big issue, or the political makeup of those constituent authorities, which is an issue in certain parts of the country [...]."*²¹²

Given that the institutional stability and maturity of the GLA is one of its major successes, we should be highly cautious of any attempt to replicate in London the governance structures seen elsewhere in England. Contrasting the longevity of the GLA with the high degree of churn in local government arrangements elsewhere, Professor Patrick Diamond urged against pursuing reforms that would undermine the distinctiveness of London's devolution settlement:

*"It is really important to respect the differences and the distinctiveness of London as a place, which needs its own governance arrangements that should not be made to replicate what we see in the other [combined authorities] across England."*²¹³

The GLA as an Established Mayoral Strategic Authority

The English Devolution and Community Empowerment Bill (as introduced) states that the GLA will be classified as an Established Mayoral Strategic Authority.²¹⁴ In the accompanying guidance published with the Bill, the Government acknowledges that the "GLA was set up differently to other Mayoral Strategic Authorities and has a different devolution settlement, so the powers and duties in the Devolution Framework will be applied to the GLA on a case-by-case basis."²¹⁵

We welcome that this allows the GLA to access the powers and funding available to other strategic authorities under the new Devolution Framework, while also recognising the GLA's distinct governance arrangements and unique status within England's devolution landscape. We look forward to these being maintained as the Bill passes through the legislative process.

Coordinating with London boroughs

Effective coordination between the GLA and London boroughs is crucial

Our investigation highlighted that the Mayor cannot deliver for Londoners without close cooperation and coordination with London's boroughs. Richard Watts emphasised that "any form of serious engagement in complex and deep policy issues in London requires the Mayor and the boroughs to work together in real and meaningful ways".²¹⁶ He highlighted that boroughs deliver "more than 600 services" and are "absolutely critical, non-negotiable, important pillars of London's government."²¹⁷ The Chair of London Councils, Cllr Claire Holland, similarly stressed the need for effective joint working:

²¹² London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 6.

²¹³ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 8.

²¹⁴ UK Parliament, [English Devolution and Community Empowerment Bill](#), Bill 283 2024-25 (as introduced), p. 2.

²¹⁵ MHCLG (2025), [English Devolution and Community Empowerment Bill: Guidance](#).

²¹⁶ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 4.

²¹⁷ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 3.

*"We know that joint working between the [GLA] and boroughs, it is critical, absolutely critical to deliver for Londoners in so many areas, whether that is new affordable homes, delivering retrofit works, helping people upskill and find work, or driving that growth across the capital that we need."*²¹⁸

Under current ways of working, there is already an onus on the Mayor to work closely with the boroughs. The breadth of borough responsibilities means that any Mayor's success relies on close cooperation and coordination with them. Mayors from different political parties have found ways to coordinate with boroughs to deliver their mandates. As Richard Watts emphasised, such coordination is "an essential part of the machinery of London governance."²¹⁹

To identify how London's strong foundations for coordination between the GLA and boroughs can be reinforced, we sought to learn from the experiences of other global cities. This aligns with the Government's proposed approach in the White Paper to compare London's powers and policies with those "of other global city authorities."²²⁰ The rationale is that London is more appropriately compared with major global cities – its peers and competitors – rather than other English cities, which are significantly smaller in population, scale, and economic influence.

Learning from international examples

Through exchanges with the OECD and representatives from other global cities, the Committee gained valuable insights into how fragmented governance structures can weaken accountability. These discussions underscored the importance of clear institutional responsibilities and strong coordination between strategic authorities and local authorities. The examples below illustrate how different cities have approached these challenges.

Learning from international examples: Coordinating with boroughs

OECD:

The OECD publication *Making Decentralisation Work: A Handbook for Policy-Makers* provides a comprehensive overview of decentralisation reforms and emphasises the importance of clearly defined responsibilities across levels of government.²²¹ It stresses that responsibilities must be "explicit, mutually understood and clear for all actors", particularly when they are shared across levels of government.²²² The OECD notes that "the more a responsibility area is shared across different government levels, the greater clarity is needed to reduce duplication and overlaps."²²³ This is strongly related to the need to develop adequate coordination mechanisms across levels of government. The

²¹⁸ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, p. 1.

²¹⁹ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 3.

²²⁰ MHCLG (2024), [English Devolution White Paper](#), p. 37.

²²¹ OECD (2019), [Making Decentralisation Work: A Handbook for Policy-Makers](#).

²²² OECD (2019), [Making Decentralisation Work: A Handbook for Policy-Makers](#), p. 21.

²²³ OECD (2019), [Making Decentralisation Work: A Handbook for Policy-Makers](#), p. 21.

OECD highlights that “[creating] a culture of co-operation and regular communication is essential for effective multilevel governance”.²²⁴

More broadly, the OECD has examined the economic costs of administrative fragmentation across its member countries. It found that fragmented urban governance is associated with negative economic and social outcomes, including lower productivity,²²⁵ increased income inequality,²²⁶ urban sprawl, and reduced satisfaction with public transport.²²⁷ It also found that these negative effects are mitigated when a strong urban governance body such as the GLA is in place.

Paris:

During the Committee's fact-finding visit to Paris, we learned that the governance of the Paris metropolitan area is characterised by a complex, multi-layered institutional architecture. This includes communes (the smallest administrative unit in France), intercommunal groupings, departments (similar to counties), a relatively weak strategic body (*Métropole du Grand Paris*), and the Île-de-France Regional Council. We heard that the multitude of actors operating at different levels often leads to overlapping competencies and coordination challenges, particularly in areas such as transport planning and affordable housing. These challenges make concerted action at the metropolitan scale difficult and can result in conflicting agendas.

Within the City of Paris itself, Mayor Anne Hidalgo has sought to strengthen coordination with the city's 17 arrondissement mayors through a culture of proactive outreach and coordination. We heard how this has been used to deliver the '15-minute city' – an urban planning concept that aims to ensure residents can meet most daily needs, such as work, shopping, education, healthcare, and leisure, within a 15-minute walk or bicycle ride from their homes. Since 2021, the City of Paris and its arrondissements have worked closely with each other to deliver initiatives such as new school streets, open schoolyards and daycare centres on Saturdays, improved pedestrianisation and urban greening, local composting stations, renovated sports facilities, and new medical practices.²²⁸

Milan:

During our meeting with the Municipality of Milan, we heard that the city has three distinct but interconnected levels of city governance: nine city districts; the Municipality of Milan; and the broader Metropolitan City of Milan.²²⁹ This structure encompasses 133 small municipalities, creating a fragmented governance landscape. Representatives of the Municipality of Milan noted that this complexity poses coordination challenges, particularly in areas such as the green transition and urban planning.²³⁰

²²⁴ OECD (2019), *Making Decentralisation Work: A Handbook for Policy-Makers*, p. 22.

²²⁵ Ahrend, R., Farchy, E., Kaplanis, I. and Lembcke, A. (2017), 'What makes cities more productive? Evidence from five OECD countries on the role of urban governance', *Journal of Regional Science*, 57(3).

²²⁶ OECD (2018), *Divided Cities: Understanding Intra-urban Inequalities*, OECD Publishing, Paris.

²²⁷ OECD (2015), *Governing the City*, OECD Publishing, Paris.

²²⁸ Ville de Paris (2025), 'Les mairies d'arrondissement au cœur de l'action municipale'.

²²⁹ London Assembly, *GLA Oversight Committee Transcript*, 12 June 2025, p. 1.

²³⁰ London Assembly, *GLA Oversight Committee Transcript*, 12 June 2025, pp. 1-2.

Despite these challenges, Milan has successfully implemented major policy changes across the metropolitan area. Representatives of the Municipality of Milan highlighted the introduction of the city's congestion charge zone (Area C) in 2012 and the low emissions zone (Area B) in 2019 as examples of how Milan's strong mayoral model has enabled it to overcome political and administrative hurdles on contentious issues.²³¹

Berlin:

During an informal meeting with the Senate Chancellery of Berlin, we learned that coordination between the central mayoral administration and Berlin's twelve borough administrations is one of the city's key governance challenges. Although Berlin is both a city and a state under Germany's federal system, its boroughs are powerful actors. The consolidation of the number of boroughs from 23 to 12 in 2001 was accompanied by a strengthening of their powers.

Berlin has a formal mechanism for involving boroughs in joint decision-making through its Council of Mayors, which includes the Governing Mayor and the 12 borough mayors. Chaired by the Governing Mayor, the Council of Mayors meets at least once a month and can submit proposals to Berlin's Senate for new laws and regulations affecting borough responsibilities.²³² However, despite this formal structure, significant coordination challenges persist, particularly in areas such as transport, housing, and the digitalisation of government. These challenges can be exacerbated by differences in party affiliation or personal dynamics between borough mayors and the central administration.

Calls for formal joint decision-making with London boroughs

In response to the White Paper, London Councils – a cross-party organisation representing London's 32 borough councils and the City of London – has called for the introduction of formal joint decision-making processes between the Mayor of London and council leaders. This would include decisions over “relevant powers and funding, including any future integrated settlement”.²³³ In a joint public statement issued in April 2025, all 32 borough leaders called for “a seat at the table” in shaping London's devolution settlement.²³⁴ A similar appeal was made in 2024, calling for “formal structures for shared decision-making.”²³⁵

Specifically, London Councils has proposed a new ‘Combined Board’ model, which it considers would align London's arrangements with those in other combined authorities:

“We have proposed a ‘Combined Board’, made up of the Mayor of London and the 12 members of London Councils’ cross-party Executive Committee, building on existing

²³¹ London Assembly, [GLA Oversight Committee Transcript](#), 12 June 2025, p. 4.

²³² Berlin.de (n.d.), ‘[Der Rat der Bürgermeister \(RdB\)](#)’ (accessed 20 August 2025).

²³³ London Councils (2025), ‘[London borough leaders make united call for ‘seat at the table’ in new devolution settlement](#)’, 3 April 2025.

²³⁴ London Councils (2025), ‘[London borough leaders make united call for ‘seat at the table’ in new devolution settlement](#)’, 3 April 2025.

²³⁵ London Councils (2024), ‘[London boroughs welcome devolution plans as ‘golden opportunity’ to formalise collaboration with Mayor](#)’, 16 December 2024.

*ways of working between the GLA and London Councils. This could be responsible for decision-making over relevant powers and funding devolved to the regional level, in a similar way to Mayoral Combined Authorities.*²³⁶

This proposal seeks to introduce a similar approach in London as seen in other combined authorities in England. However, London is a significantly larger and more complex city, with 33 local authorities. Greater Manchester, by contrast, has 10. It would clearly be unmanageable to run a strategic authority with 34 decision-making authorities (including the GLA). The London Councils proposal seeks to address this by concentrating borough input via a smaller board, but this in itself means that some parts of London would not be fully included in decision-making. Under the current model, while some improvements would be beneficial, the whole of London is represented via the Assembly in GLA decision-making and scrutiny. This unique role of the Assembly clearly distinguishes London's devolution model from that in other English cities.

We invited the Chair of London Councils, Cllr Claire Holland, to discuss this proposal. She said that existing collaboration between the Mayor and boroughs relies "on voluntary collaboration and goodwill" and that the proposal is about "hardwiring collaboration into the system of London government."²³⁷ A minority of expert contributors expressed support for this proposal. Localis observed that while "joint working is undoubtedly an operational reality across London in multiple policy areas, the lack of a statutory framework means that mayors are not sufficiently incentivised to develop strong relationships with Boroughs."²³⁸ The Local Government Information Unit claimed that the "absence of structured joint governance means that collaboration between the Mayor and boroughs is voluntary and *ad hoc*."²³⁹

The risks of fragmentation and weakening accountability

Based on the international examples discussed above, avoiding fragmentation in governance and decision-making must be of paramount importance when considering how the GLA should coordinate with London's boroughs. In this context, the London Councils proposal raises significant practical and governance questions. Jack Shaw identified unresolved issues with the proposal, including "the role of political leaders of London authorities; what impact any new role for them may have on the London Assembly and Deputy Mayors; and whether outcomes will improve for Londoners as a result."²⁴⁰ While strategic alignment across London is cited as the primary rationale for London Councils' proposal – particularly in the context of the Integrated Settlement – Jack Shaw argued that "beyond that, the rationale is less clear."²⁴¹

Richard Watts emphasised that "clarity is central to accountability and accountability is central to public engagement, at a time when we should not take engagement in democratic politics for granted."²⁴² Dr Janice Morphet warned of the risks of fragmentation, drawing on the

²³⁶ London Councils (2025), '[London borough leaders make united call for 'seat at the table' in new devolution settlement](#)', 3 April 2025.

²³⁷ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, pp. 1-2.

²³⁸ Written evidence submitted by Localis [\[DR003\]](#), p. 17.

²³⁹ Written evidence submitted by the Local Government Information Unit [\[DR001\]](#), p. 4.

²⁴⁰ Written evidence submitted by Jack Shaw [\[DR002\]](#), p. 13.

²⁴¹ Written evidence submitted by Jack Shaw [\[DR002\]](#), p. 14.

²⁴² London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 4.

example of the period between the end of the Greater London Council in 1986 and the establishment of the GLA in 2000, when London lacked strong strategic governance:

*"[...] if you want a more fragmented and diversified decision-making period, see what happened to London in that period, and the answer is not much. [...] I do think that the propulsion forward of London in its many diverse aspects in terms of policy, progress, economy, presence on the national and international stage, really became associated with the creation of [the GLA]."*²⁴³

The risks of replicating decision-making structures from other contexts

London Councils has argued that formalised joint decision-making would ensure "consistency across England".²⁴⁴ However, based on the evidence heard during this investigation, consistency should not be our main goal; our focus should be on better outcomes for residents. Dr Jack Newman stressed that "the answer for England is not just all to follow the Manchester model, but to think about what different models work in different places to reflect different political setups, different historical trajectories."²⁴⁵ Localis cautioned that "London is too large for the model developed in Greater Manchester and subsequently rolled out across the country to feasibly be expected to work."²⁴⁶ Richard Brown also warned against transposing the political context of one place onto another:

*"I do not think the London Councils' proposal for a committee of London Council Leaders is a helpful one. I think it confuses roles. I think it muddles accountability. The London Assembly, as a not very expensive, independent scrutiny body, is a much better one than trying to mimic the political context of [the Greater] Manchester [Combined Authority], for example, and transfer that to London."*²⁴⁷

Our investigation also highlighted the limitations of joint decision-making in combined authorities. Unlike the Mayor of London, combined authority mayors must consult constituent council leaders on their powers and budgets.²⁴⁸ Research by the Institute for Government highlights how legal requirements to have unanimous or near-unanimous agreement have "slowed or even stopped progress on housing and transport plans, impeding mayors' plans for economic development".²⁴⁹ Professor Tony Travers also drew attention to this risk, noting that in Greater Manchester, some councils "have absented themselves from decision-making over planning."²⁵⁰ The risk of similar fragmentation in London is too serious to ignore.

We are of the view that London's mayoral model should not be weakened or fragmented by introducing novel joint decision-making structures. The office of the Mayor of London has a

²⁴³ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 9.

²⁴⁴ London Councils (2025), ['London borough leaders make united call for 'seat at the table' in new devolution settlement'](#), 3 April 2025.

²⁴⁵ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 3.

²⁴⁶ Written evidence submitted by Localis [DR003], p. 18.

²⁴⁷ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 22.

²⁴⁸ London Assembly Research Unit (2024), [Devolution of power to the Mayor of London and Greater London Authority](#), p. 11.

²⁴⁹ Institute for Government (2025), [Making England's 'devolution revolution' a reality](#), p. 4.

²⁵⁰ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, p. 8.

clear electoral mandate and is accountable to Londoners through the London Assembly and directly at the ballot box every four years. Introducing additional decision-making structures risks confusing governance, undermining transparency, and weakening accountability.

Strengthening coordination between the GLA and London boroughs

Experience from both the UK and elsewhere shows that formal joint decision-making is no guarantee for effective governance. An effective culture of cooperation can achieve as much, if not more, than introducing new rigid structures. We do believe the GLA should strengthen its coordination and cooperation with London boroughs. As Professor Patrick Diamond noted, “the current settlement is working well”,²⁵¹ cautioning against major structural changes:

“I would be very cautious about ripping everything up at this point when there is a basis for a devolved settlement that can work. [...] I am sure there are ways in which opportunities for alliances and collaboration across London boroughs can be strengthened, but a model of incorporating that within a formal structure [...] could be very problematic.”²⁵²

The GLA's existing ways of working with London boroughs allow for joint decision-making on a case-by-case basis. Cllr Claire Holland cited Warmer Homes London as one such example.²⁵³

Richard Watts explained that this programme requires a degree of formality due to the resources involved. He noted that while the GLA brings “funding and expertise”, the boroughs bring “their housing stock and their relationship with tenants.”²⁵⁴ However, he argued that where this is not required, “we should not invent structures for the sake of it.”²⁵⁵

“What we do not want to do is effectively to tie decision making down unnecessarily in bureaucracy because (a) that does not work for Londoners and (b) that will [not] allow us to deliver as quickly as possible.”²⁵⁶

Richard Watts, Deputy Chief of Staff to the Mayor of London Greater London Authority

It is understandable and reasonable that London boroughs seek a clear voice and opportunity to influence London-wide strategic work. The views of borough leaders should be considered in a format that respects and is proportionate to their vital leadership role in delivering services for Londoners. At the same time, we believe that the democratic accountability embedded in London's mayoral model already incentivises cooperation and coordination with boroughs. This should be encouraged and facilitated further, but without establishing new formal requirements for joint decision-making structures and additional layers of bureaucracy that would risk slowing

²⁵¹ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 4.

²⁵² London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p.11.

²⁵³ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, p. 1.

²⁵⁴ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 2.

²⁵⁵ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 2.

²⁵⁶ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 2.

down decision-making. Should a Mayor fail to coordinate effectively with boroughs, they will be held accountable by Londoners at the ballot box and by the London Assembly for failing to deliver tangible improvements and services that residents expect from their Mayor.

The London Assembly has an important role to play in providing a forum for engagement with London boroughs. The Assembly actively includes councils in London in its work on a regular basis. This includes inviting elected councillors and council officials to committee meetings to provide evidence and represent the experiences and viewpoints of their constituencies as part of the process of scrutinising the Mayor. The Assembly encourages contributions from London boroughs during its own consultations on mayoral statutory strategies such as the London Plan, and it invites councils to provide written contributions to calls for evidence as part of its investigations into issues that affect Londoners. In doing so, the Assembly includes London boroughs in the process of scrutinising the Mayor and the GLA's functional bodies. Going forward, the Assembly should consider how it can further scrutinise the coordination between the Mayor and boroughs, as well as how it can further engage with London boroughs in its consideration of mayoral policy and spending.

Recommendation 6

Given the established strengths of London's strong mayoral model, we call on the Government to ensure the English Devolution and Community Empowerment Bill does not create new formal joint decision-making structures between the GLA and London boroughs. Instead, the Mayor should proactively seek to create further opportunities to coordinate and cooperate closely with London boroughs to deliver vital services for Londoners.

London's Integrated Settlement

The principle of the Integrated Settlement is welcome

We welcome the confirmation in the 2025 Spending Review that London will receive an Integrated Settlement from 2026-27.²⁵⁷ As outlined in the previous chapter, this should, in principle, remove the ringfencing and strict conditions attached to many Government grants. If implemented effectively, it will give the GLA and London boroughs greater autonomy and flexibility to shape the programmes they are responsible for delivering. The Mayor has similarly welcomed the Integrated Settlement, describing its key advantage as providing "increased flexibility in how resources are used to deliver outcomes for the city."²⁵⁸ He added:

*"Under the Integrated Settlement, multiple individual government grants – each with their own timelines, conditions, and reporting requirements – will be consolidated into broader, outcome-focused funding themes. These multi-year settlements will offer greater stability, predictability, and enable more effective long-term planning."*²⁵⁹

We also welcome the publication of the policy document outlining the principles of the Integrated Settlement and how it will be implemented, including the process for agreeing and

²⁵⁷ HM Treasury (2025), [Spending Review 2025](#), para 4.42, p. 36.

²⁵⁸ Greater London Authority (2025), [MQT 2025/2640](#), 20 August 2025.

²⁵⁹ Greater London Authority (2025), [MQT 2025/2640](#), 20 August 2025.

monitoring outcomes and the associated accountability arrangements.²⁶⁰ This confirms that the scope of Integrated Settlements will include central government funding across seven thematic policy areas²⁶¹ and that “there is a presumption that funding for new programmes or activity where these are appropriate for local delivery will flow through Integrated Settlements”.²⁶²

Measuring the outcomes of the Integrated Settlement

The Government will oversee London's Integrated Settlement through an outcomes framework. The Government's policy document confirms that this will be mutually agreed between the GLA and the Government and will detail the outcomes, indicators, targets, and outputs to be achieved under the Integrated Settlement.²⁶³ The Mayor has confirmed that this will be agreed ahead of the Integrated Settlement taking effect in 2026-27.²⁶⁴ The Government's policy document states that the GLA will have “full flexibility within the themes of the Integrated Settlements to design and implement policy to meet the mutually agreed outcomes.”²⁶⁵

The GLA's performance against the delivery of outcomes will be overseen by a Programme Board. According to the Government's policy document, these Programme Boards will meet six-monthly, and they will be chaired by senior officials from MHCLG and attended by representatives of Mayoral Strategic Authorities, HM Treasury senior officials, and senior officials from central government departments that have devolved funding in the Integrated Settlement. The Programme Boards will also be responsible for “bilateral conversations with central government departments about detailed policy specific delivery of the Integrated Settlements where needed.”²⁶⁶

The final scope and quantum of the Integrated Settlement for the next Spending Review period have not yet been confirmed.²⁶⁷ The Mayor has confirmed that the GLA is in discussion with the Government to confirm the scope of the Integrated Settlement and the funds to be included,²⁶⁸ and he expects that “both the funds in scope and the quantum of London's Integrated Settlement will be published in Autumn 2025.”²⁶⁹

The success of the Integrated Settlement will ultimately depend on whether it enhances the GLA's ability to deliver improved outcomes for Londoners. While we support the principle of providing the Mayor with greater flexibility and certainty in setting spending priorities, it is essential that the design of the Integrated Settlement outcomes framework does not inadvertently increase central Government control over London's spending. Such an outcome would be a backwards step.

²⁶⁰ MHCLG (2025), [Integrated Settlement: policy document](#).

²⁶¹ These are: Economic development and regeneration; Transport and local infrastructure; Adult skills; Employment support; Housing and strategic planning; Environment and climate change; and Health, wellbeing and public service reform.

²⁶² MHCLG (2025), [Integrated Settlement: policy document](#), para. 10.

²⁶³ MHCLG (2025), [Integrated Settlement: policy document](#).

²⁶⁴ Greater London Authority (2025), [MQT 2025/2642](#), 20 August 2025.

²⁶⁵ MHCLG (2025), [Integrated Settlement: policy document](#), para. 43.

²⁶⁶ MHCLG (2025), [Integrated Settlement: policy document](#), para. 77.

²⁶⁷ In the Spending Review 2025, HM Treasury stated: “The final scope and quantum of these integrated settlements will be set out in due course.” HM Treasury (2025), [Spending Review 2025](#), para 4.43, p. 36.

²⁶⁸ Greater London Authority (2025), [MQT 2025/2645](#), 20 August 2025.

²⁶⁹ Greater London Authority (2025), [MQT 2025/2646](#), 20 August 2025.

During our investigation, some expert contributors cautioned that the outcomes framework associated with the Integrated Settlement could actually reinforce the centralising tendencies of central government funding. Dr Janice Morphet warned that because the contributing departments remain accountable to Parliament for their expenditure, HM Treasury may seek to exercise greater control, which would potentially diminish London's powers over its spending:

*"Your freedoms over your budgets are far greater than anyone else in England has and they are much more akin to First Ministers. Therefore, I do think that one should think very carefully about going down that line because that seems like a very controlling route which would diminish your powers."*²⁷⁰

Dr Jack Newman also highlighted the limitations of outcomes frameworks, particularly when the outcomes associated with funding streams are complex and difficult to measure:

*"Given the complexity of data existing at different scales, it is sometimes quite difficult to measure certain things. You might not necessarily be able to measure in a tight way that suits Treasury the things that you want to achieve."*²⁷¹

The extent to which the Integrated Settlement increases flexibility will depend on how the Government balances discretion over spending with performance monitoring. David Phillips (Associate Director, Institute for Fiscal Studies) explained that the Government can either ringfence grants for a specific purpose while allowing strategic authorities discretion in determining local delivery – as seen with the public health grant for local government – or remove ringfencing but impose specific performance targets. He argued that genuine flexibility will only be achieved if the Government eases both the ringfencing of funds and performance targets, adding that otherwise, "you are just replacing one form of form-filling with another".²⁷² Professor Patrick Diamond echoed this and emphasised that the GLA must work with the Government to secure an outcomes framework that reflects London's specific needs:

*"It would clearly be ludicrous to tie a London funding settlement to the monitoring of minutiae targets and outcome frameworks. That is not the way that devolution should proceed. [...] Government Ministers have to be pressured or persuaded that, if they are serious about devolution, then that has to mean the approach to integrated funding settlements which does allow scope for local discretion, flexibility and so on."*²⁷³

Recommendation 7

We call on the Government to agree by March 2026 an outcomes framework for London's Integrated Settlement in close consultation with the Mayor of London. The outcomes framework should be designed to provide the GLA with flexibility in deciding how funding

²⁷⁰ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 7.

²⁷¹ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 14.

²⁷² London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 18.

²⁷³ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 13.

should be spent to achieve the agreed outcomes and be finalised in time for implementation in the 2026-27 financial year.

The role of the London Assembly in scrutinising the Integrated Settlement

One of the London Assembly's most important statutory responsibilities is scrutinising the GLA Group budget.²⁷⁴ With the introduction of the Integrated Settlement, the Assembly's scrutiny of the GLA Group budget should expand to include the scrutiny of the Integrated Settlement. Given that the Mayor of London's budget is larger than that of any other metro mayor in England, we welcome the clarity in the Integrated Settlement policy document that the Assembly will be responsible for local scrutiny of the Integrated Settlement in London:

*"Per the [English Devolution Accountability Framework], the London Assembly scrutinises the exercise of the Mayor of London's functions and conducts investigations into London issues through a series of themed committees. The Mayor of London and (and any officers exercising relevant delegated functions on the Mayor's behalf) should be prepared to speak to the Integrated Settlement at the Assembly."*²⁷⁵

Regarding the proposals in the White Paper to review the Scrutiny Protocol and explore a Local Public Accounts Committee model, we also welcome the confirmation that "the London Assembly will continue to act as the body responsible for scrutinising the Mayor of London."²⁷⁶

Once the outcomes framework for London's Integrated Settlement is finalised, the Assembly should have a central role in monitoring progress against it. This would provide further reassurance to the Government that the outcomes framework will be robustly monitored. Rob Anderson highlighted that "processes within the Assembly must ensure proportionate scrutiny of any integrated settlement."²⁷⁷ Since some of the outcomes may also be dependent in part on the activities of organisations outside the GLA Group, this will also require broadening the Assembly's summoning powers. This is discussed in further detail in chapter four.

To effectively scrutinise the GLA's Integrated Settlement, the Assembly will require access to the same detailed monitoring information the GLA will be required to send to the Government. The Government's policy document confirms that both the outcomes framework and local delivery plans will be published "in the first quarter of the first financial year of the Integrated Settlement period".²⁷⁸ It also confirms that the GLA will be required to send six-monthly monitoring reports to the Programme Board, which will include a "RAG (Red, Amber, Green) rating that provides an assessment of progress towards achieving the targets by the end of the [Spending Review period]", as well as information and data on spending, forecast underspends, risk management, key changes, amongst other issues.²⁷⁹ To facilitate transparency and effective scrutiny, the Mayor should provide this same monitoring information to the Assembly at the same time as it is provided to the Government.

²⁷⁴ Greater London Authority Act 1999, [Section 87](#) and [Schedule 6](#). This is discussed further in chapter four.

²⁷⁵ MHCLG (2025), [Integrated Settlement: policy document](#), para. 108.

²⁷⁶ MHCLG (2025), [Integrated Settlement: policy document](#), para. 109.

²⁷⁷ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 17.

²⁷⁸ MHCLG (2025), [Integrated Settlement: policy document](#), para. 75.

²⁷⁹ MHCLG (2025), [Integrated Settlement: policy document](#), para. 78.

Recommendation 8

We welcome the confirmation by the Government that the London Assembly will be responsible for local scrutiny of the Integrated Settlement in London. We call on the Mayor of London to commit to providing the London Assembly with the same monitoring reports, performance data, and information that will be submitted to the Government for assessing progress against the Integrated Settlement outcomes framework. These should be provided on a concurrent basis and at least six-monthly to facilitate transparency and effective scrutiny of the Integrated Settlement. We expect that this commitment will be included in the written agreement between the Government and the GLA on the outcomes framework prior to its implementation from the beginning of the 2026-27 financial year.

Chapter four: Strengthening the London Assembly

The case for stronger scrutiny powers

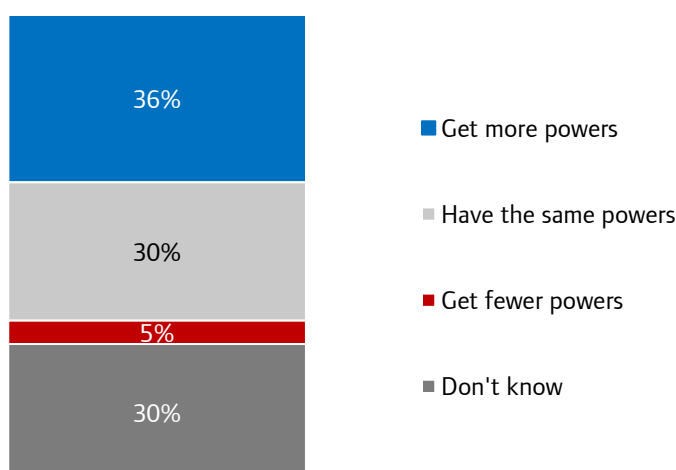
A core pillar of London's devolution settlement is the distinctive role of the London Assembly as a democratically elected body tasked with holding the Mayor to account. As outlined in chapter one, this model enables transparent, locally rooted scrutiny of mayoral decision-making. The separate electoral mandate of the Assembly ensures robust oversight of the Mayor's actions.

While the London Assembly received broad endorsement during our investigation, several contributors argued that its powers should be strengthened. Given the Assembly's role in holding the country's most powerful directly elected politician to account, its scrutiny work could be enhanced through access to a forward plan of key mayoral decisions, broader summoning powers, and the ability to examine the influence of key service providers in policy areas that matter to Londoners. These powers will become even more necessary if, as the Committee recommends, the Mayor is granted further devolved powers.

This view was echoed by Londoners in the survey conducted for this investigation. When asked whether the Assembly should receive more or fewer powers if the office of the Mayor were granted additional devolved powers, 66 per cent of Londoners supported maintaining or increasing the Assembly's powers – with 36 per cent favouring the London Assembly receiving more powers.²⁸⁰ These results are illustrated in figure 3.

Figure 3: Londoners' views on the powers of the London Assembly²⁸¹

If the Mayor were given more devolved powers, the London Assembly should...



²⁸⁰ Greater London Authority (2025), [London Devolution Polling – June 2025](#), Question 6.

²⁸¹ Greater London Authority (2025), [London Devolution Polling – June 2025](#), Question 6 asked: "If the office of the Mayor of London were to be given more devolved powers, do you think the London Assembly should get more or fewer powers to hold the office of the Mayor of London accountable, or should the role stay the same?"

The Assembly has long called for stronger scrutiny powers. In 2015, the Devolution Working Group's report, *A New Agreement for London*, argued that any further devolution to London must be matched with "effective and appropriate scrutiny arrangements."²⁸² More recently, the GLA Oversight Committee's 2023 report, *Devolution in London*, revisited what additional scrutiny powers would be needed if the Mayor's powers were enhanced.²⁸³

Scrutiny of any new powers for the Mayor must be central to discussions on the Government's devolution proposals. The Scrutiny Protocol, which was published by the then Department for Levelling Up, Housing & Communities²⁸⁴ in November 2023, provides non-statutory guidance for effective scrutiny.²⁸⁵ The White Paper proposes "a review of the Scrutiny Protocol to ensure that the guidance is reflective of [the reforms proposed in the White Paper] and is driving improvements to the standard of scrutiny in Strategic Authorities as we deepen devolution."²⁸⁶ The Scrutiny Protocol recognises London's unique place in the devolution landscape and reaffirms that the GLA Act sets out the distinct scrutiny arrangements for the GLA and Assembly and that these should be maintained. In addition, the Protocol suggests that "where applicable, the GLA and Assembly should look to implement [its] guidance".²⁸⁷

By international standards, the London Assembly is unique in being a scrutiny body rather than a legislative body. In other global cities, the primary function of equivalent elected bodies such as City Councils is to pass legislation. In those bodies, the scrutiny of the executive is generally combined with the legislative process. In contrast, London's mayoral model means the Assembly relies mainly on its scrutiny powers to hold the executive to account with some formal decision-making powers over the budget and statutory strategies. Strengthening these powers is essential to uphold the Assembly's legitimacy and, as Dr Jack Newman observed, to support "rebuilding democracy and democratic engagement."²⁸⁸ The Government's devolution reforms are therefore a timely opportunity to consider how the Assembly's powers can be enhanced to meet the demands of a stronger devolution settlement.

Proposals for a stronger London Assembly

Forward plan of key mayoral decisions

Unlike the mayors of combined authorities and council leaders, the Mayor of London is not required to produce and maintain a public forward plan of key decisions. This limits the Assembly's ability to conduct timely scrutiny and provide input to important decisions.

The need for a forward plan is explicitly recognised in the MHCLG Scrutiny Protocol. This states that "bringing decisions for scrutiny shortly before they are taken should be avoided (whilst recognising the need for urgent exceptions)."²⁸⁹ It also emphasises the importance of engaging members of scrutiny bodies "early in the development stage of a policy so that they can help

²⁸² London Assembly Devolution Working Group (2015), *A New Agreement for London*, p. 9.

²⁸³ GLA Oversight Committee (2023), *Devolution in London*.

²⁸⁴ Now known as the Ministry of Housing, Communities and Local Government (MHCLG).

²⁸⁵ MHCLG (2023), *Scrutiny Protocol*, ch. 1.10.

²⁸⁶ MHCLG (2024), *English Devolution White Paper*, p. 108.

²⁸⁷ MHCLG (2023), *Scrutiny Protocol*, ch. 1.12.

²⁸⁸ London Assembly, *GLA Oversight Committee Transcript Panel 1*, 14 May 2025, p. 3.

²⁸⁹ MHCLG (2023), *Scrutiny Protocol*, ch. 2.23.

shape its design and add real value.”²⁹⁰ The Protocol describes a forward plan of key decisions as “essential” to good scrutiny since it provides committees with “a breadth of sight across all the work of the institution and determine those areas for further scrutiny.”²⁹¹ It notes that there should be “a culture of the Forward Plan being used appropriately with decisions being placed on the plan well in advance of them being taken.”²⁹²

The Assembly has repeatedly requested that the Mayor publish a forward plan. In 2015, the Assembly's Devolution Working Group called for a requirement on the Mayor “to publish a forward plan of decisions which would increase the transparency of City Hall decision-making.”²⁹³ In a September 2022 motion, the Assembly reiterated that such a forward plan would aid “transparency, effective scrutiny and the best use of resources”.²⁹⁴ In its 2023 report on devolution, this Committee echoed this and recommended that “the Mayor should publish a forward plan of decisions”, citing that this would “support effective scrutiny.”²⁹⁵

Parliamentary committees have consistently supported the case for a forward plan. The Housing, Communities and Local Government (HCLG) Committee and its predecessor, the Communities and Local Government Committee, have recommended that the London Assembly should receive a forward plan from the Mayor on three separate occasions – in 2013, 2016, and 2021.²⁹⁶ In its February 2022 response to the 2021 HCLG Committee Inquiry, the Government acknowledged that a forward plan “could strengthen the scrutiny of the Assembly”, but added that it might introduce “additional bureaucracy” and should be “balanced against the benefits of the strong mayoral model in London.”²⁹⁷

During our investigation, when asked whether there was a case for a forward plan to help with the scrutiny process, the Mayor's Deputy Chief of Staff, Richard Watts, responded: “Yes, there is. There is something of a forward plan around when [Mayoral Decisions] are coming and things like that. Most of these decisions are taken broadly around the same time each year. Certainly, there is a case for that.”²⁹⁸

Given that all councils in London, as well as the TfL Board and its Committees and Panels already produce forward plans, extending this requirement to the Mayor would be a proportionate and positive step to strengthen transparency and democratic accountability.

²⁹⁰ MHCLG (2023), [Scrutiny Protocol](#), ch. 2.23.

²⁹¹ MHCLG (2023), [Scrutiny Protocol](#), ch. 2.24.

²⁹² MHCLG (2023), [Scrutiny Protocol](#), ch. 2.24.

²⁹³ London Assembly Devolution Working Group (2015), [A New Agreement for London](#), p. 9.

²⁹⁴ London Assembly (2022), [‘Mayor should publish forward plan for transparency’](#), 8 September 2022.

²⁹⁵ GLA Oversight Committee (2023), [Devolution in London](#), p. 8.

²⁹⁶ Communities and Local Government Committee (2013), [Post-legislative scrutiny of the Greater London Authority Act 2007 and the London Assembly](#), HC 213, para. 37; Communities and Local Government Committee (2016), [Devolution: the next five years and beyond](#), HC 369, para. 101. Housing, Communities and Local Government Committee (2021), [Progress on devolution in England](#), HC 36, para. 155.

²⁹⁷ Department for Levelling Up, Housing & Communities (2022), [‘Government response to the Levelling Up, Housing and Communities Select Committee report on Progress on Devolution in England’](#).

²⁹⁸ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 12.

Recommendation 9

We call on the Government to amend the GLA Act to require that the Mayor of London provides the London Assembly with a forward plan of key mayoral decisions to aid transparency, effective pre-decision scrutiny, and the best use of resources, in line with the Scrutiny Protocol. This amendment should be in place by the beginning of the next London Assembly term in 2028.

Broader summoning powers

Section 59 of the GLA Act sets out the Assembly's powers to carry out reviews and investigations. It states that: "The Assembly shall keep under review the exercise by the Mayor of the statutory functions exercisable by him."²⁹⁹ This is a limited power compared to local authorities' powers to conduct external scrutiny, which allow them to examine "the influence of other public (and sometimes private) bodies in a policy area of interest" by inviting evidence from and discussion with the public and other external bodies.³⁰⁰

Under Section 61 of the GLA Act, the Assembly can summons any staff member of the GLA and its functional bodies to attend meetings and provide documentation.³⁰¹ However, these powers do not extend to external service providers outside the GLA Group. In 2015, the London Assembly Devolution Working Group recommended an expansion of summoning powers to cover "bodies outside the GLA Group that are appointed by the Mayor or have a significant London-wide role to play in delivering his strategies."³⁰² This recommendation was echoed in the GLA Oversight Committee's 2023 report on devolution.³⁰³

In its submission to the HCLG Committee's 2021 devolution inquiry, the Assembly highlighted the London Ambulance Service (LAS) as an example of a service provider not covered by Section 61 of the GLA Act. Although the LAS has voluntarily agreed to provide annual updates to the Assembly, the Assembly noted that otherwise, "the LAS has no direct accountability to Londoners" and described this is a "democratic deficit that would be most appropriately filled by the London Assembly, given its strategic London-wide role."³⁰⁴

The ability to summons external service providers to attend meetings of the Assembly and provide documentation will become increasingly important in the context of more devolved powers. Achieving some of the outcomes in the Integrated Settlement outcomes framework will likely depend at least in part on the activities of organisations outside the GLA Group. When asked whether the Mayor's Office would support the Assembly having broader summoning powers and the power to conduct external scrutiny, Richard Watts responded positively:

²⁹⁹ Greater London Authority Act 1999, [Section 59\(1\)](#).

³⁰⁰ House of Commons Library (2024), [Overview and Scrutiny in Local Government](#), p. 11.

³⁰¹ Greater London Authority Act 1999, [Section 61](#).

³⁰² London Assembly Devolution Working Group (2015), [A New Agreement for London](#), pp. 17-18.

³⁰³ GLA Oversight Committee (2023), [Devolution in London](#), p. 40. Footnote 14 lists these bodies as: ReLondon; London Pensions Fund Authority; the Museum of London; NHS London; the London Ambulance Service; the Environment Agency; The Royal Parks and The Royal Parks Operational Command Unit; Canal and River Trust; Arts Council England; English Heritage London Advisory Committee; the Port of London Authority; the Higher Education Funding Council for England; and the Civil Aviation Authority.

³⁰⁴ Housing, Communities and Local Government Committee (2021), [Written Evidence submitted by the London Assembly \[PDE 021\]](#), para. 3.4.

“Absolutely, the Assembly should have the ability to mandate other key service providers in London. The Chief Executive of Network Rail, for example, provided many important services. When Great British Railways comes in, that would be a very sensible change.”³⁰⁵

In the context of further devolution, strengthening the Assembly's powers to summons representatives and information from service providers outside the GLA Group will ensure that Londoners have democratic oversight of services and issues that significantly impact their lives.

Recommendation 10

We call on the Government to amend Section 61 of the GLA Act to give the London Assembly broader powers to summons representatives and information from key service providers in London, including the Mayor and bodies outside the GLA Group, such as privatised utility providers. This would strengthen the London Assembly's ability to investigate issues of broader importance to Greater London beyond the statutory functions of the Mayor. These powers should be in place by the beginning of the next London Assembly term in 2028.

Optimising the budget scrutiny process

As outlined in chapter three, we welcome the Government's clarification that the London Assembly will be responsible for local scrutiny of the Integrated Settlement in London.³⁰⁶ However, this also underscores the importance of ensuring that the Assembly's processes are equipped to deliver proportionate scrutiny of the Integrated Settlement.

Scrutinising the Mayor's budget is one of the Assembly's most important statutory responsibilities. Section 87 and Schedule 6 of the GLA Act establish the budget scrutiny and approval processes and the Mayor and Assembly's respective roles.³⁰⁷ The GLA's annual budget scrutiny process begins in November each year, with the submission of draft budget plans from the GLA and its functional bodies. These are scrutinised by the Budget and Performance Committee in December and early January, before the Mayor publishes a final consolidated budget in February. At that stage, the Assembly may amend the budget if a two-thirds majority of Members vote in favour of a specific proposal.³⁰⁸

Professor Tony Travers observed that “the capacity to look in detail at budgetary processes, the documentation that is produced by mayoral agencies and so on, is essentially enormously important.”³⁰⁹ He also emphasised that “the Assembly needs the resources to be able forensically to examine the way money is spent and to do it consistently over time.”³¹⁰ Rob Anderson highlighted that this requires strengthening the Assembly's bureaucratic capacity:

³⁰⁵ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 13.

³⁰⁶ MHCLG (2025), [Integrated Settlement: policy document](#), para. 109.

³⁰⁷ Greater London Authority Act 1999, [Section 87](#) and [Schedule 6](#).

³⁰⁸ Greater London Authority (n.d.), [‘The Mayor's Budget’](#) (accessed 12 August 2025).

³⁰⁹ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, p. 22.

³¹⁰ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, p. 22.

*"That ability just to scrutinise the budget is a very extensive exercise, [...] and I know the officers who do that well. They work very, very hard. There are not very, very many of them. That is serious work, and I think that greater power, greater accountability framing [...] is salient here."*³¹¹

To ensure scrutiny remains proportionate and effective under the new Integrated Settlement, it is essential that the Assembly's budget scrutiny processes are both well-resourced and designed appropriately. Richard Watts argued that the statutory requirement for the Mayor to present a draft budget in November each year before funding allocations are confirmed leads to "pointless conversations" where "both sides get annoyed at each other because we are asking fair questions we do not know the answers to yet."³¹² In his view, this can result in wasted effort and undermine the value of early scrutiny.

The current processes could be modified through amendments to the GLA Act, with the objective being to ensure the effective and efficient use of resources while maintaining high standards of transparency and accountability. Richard Watts noted that amending the process would require a "mature conversation between both the Mayor's Office and the Assembly".³¹³

We believe there is a case for revising the budget drafting and scrutiny process to make it more efficient and effective for all as an Integrated Settlement is introduced for London. However, we do not agree that reducing the quantity of information that is provided to the Assembly in the early stages of this process is the only or most effective way to achieve this. The extensive and robust budget scrutiny conducted by the Assembly and praised by our external guests must not be lost in pursuit of streamlining the Mayor's budget process. We welcome the Deputy Chief of Staff's proposal for a conversation between the Mayor and the Assembly. Before seeking Government agreement to change statutory budget processes in London, there should be close engagement between the Mayor's Office and the Assembly to clarify and agree how a more efficient budget process could be designed to ensure the best use of resources while ensuring the robustness of the budget scrutiny process.

Recommendation 11

In the context of the proposed examination of the GLA Act, we call on the Mayor of London to work together with the London Assembly to agree on how the budget scrutiny process could be most appropriately designed to ensure it makes best use of resources while maintaining high quality, robust scrutiny of the GLA Group budget. Consultation on potential changes should begin by December 2025, with a view to changes being introduced by the beginning of the next London Assembly term in 2028.

³¹¹ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 14 May 2025, p. 21.

³¹² London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 12.

³¹³ London Assembly, [GLA Oversight Committee Transcript Panel 2](#), 9 July 2025, p. 12.

Chapter five: Expanding London's devolved powers

The case for expanding London's devolved powers

We recognise that the White Paper and the English Devolution and Community Empowerment Bill are primarily concerned with formalising devolved governance structures for cities and regions that currently have less advanced devolution arrangements than London. While the White Paper and the English Devolution and Community Empowerment Bill do not significantly expand London's devolved powers – either in areas where the GLA already has responsibilities or where it does not – we welcome the alignment between the Government's proposals and the GLA's strategic priorities. As the Local Government Information Unit noted, the Government's devolution proposals emphasise “economic growth, improved public service delivery, and democratic accountability. These align closely with the GLA's strategic objectives around housing, transport, economic development, and environmental sustainability.”³¹⁴

London faces unique and complex challenges

London's unique scale means it faces a complex set of policy challenges compared with other cities in the UK. Despite this, our investigation found that London's ability to influence policy locally remains more limited than that of many other global cities, including in areas such as housing, infrastructure, education, health, and skills.

While the Government's devolution proposals focus largely on delivering much-needed growth outside of London, they must not forget the needs of the capital. London contributes over £40 billion more in tax revenue to the UK Government than it receives in public spending each year,³¹⁵ yet the share of Londoners living in relative poverty after housing costs (26 per cent) is higher than the UK average (21 per cent).³¹⁶ This amounts to 2.36 million Londoners living in poverty.³¹⁷ Children are disproportionately affected, with 35 per cent of children in London living in poverty, compared with 23 per cent of the working age population.³¹⁸ London's unemployment rate is the highest amongst all regions and nations in the UK,³¹⁹ while average house prices in London (£565,637) are almost twice as high as in the rest of England (£290,395).³²⁰ Going forward, the Government's devolution agenda must give London the powers it needs to adequately address these and other challenges.

Maintaining London's competitiveness must be a priority for the Government given that the capital's economic and social success is crucial for the prosperity of the UK. Although London

³¹⁴ Written evidence submitted by the Local Government Information Unit [\[DR001\]](#), p. 7.

³¹⁵ In 2022-23 (the most recent data available), London raised £216.4 billion in revenue and received £172.8 in public spending, which meant London had a net fiscal surplus of £43.6 billion. London was only one of two regions or nations in the UK with a net fiscal surplus, the other being the South East. House of Commons Library (2025), [‘London's contribution to the national economy’](#).

³¹⁶ GLA Intelligence (n.d.), [‘Economic Fairness: Population in Poverty’](#) (accessed 14 August 2025).

³¹⁷ GLA Intelligence (n.d.), [‘Economic Fairness: Population in Poverty’](#) (accessed 14 August 2025).

³¹⁸ GLA Intelligence (n.d.), [‘Economic Fairness: Population in Poverty’](#) (accessed 14 August 2025).

³¹⁹ GLA Economics (2025), [‘Labour market update for London - August 2025’](#).

³²⁰ HM Land Registry (2025), [‘UK House Price Index: May 2025’](#).

has the highest labour productivity level of any UK region, it has also experienced the largest productivity decline in the UK in recent years.³²¹ Given London's outsized contribution to the UK economy, devolution should be seen as an opportunity to give the capital the powers it needs to reverse these declines. Devolution must ensure London can compete economically with other global cities and secure the capital's attractiveness for those who live and work in it.

*"There is relentless competition. There are many rapidly growing cities in East Asia, Latin America, and so on, which will grow to be more competitive than they have been with London. In terms of London's particular position, it needs, if nothing else, to be able to go on reinvesting in its infrastructure, [...] but also has to have conditions that people who live and work in it find attractive."*³²²

**Professor Tony Travers, Professor in Practice and Associate Dean
LSE School of Public Policy**

Devolution can build trust and strengthen democracy

Our investigation also highlighted the need to view devolution as more than a tool for boosting economic growth and productivity. When implemented effectively, devolution can build trust in institutions, strengthen democratic engagement, and improve people's quality of life. Professor Patrick Diamond argued that the Government's devolution proposals should be considered in the context of the principle of subsidiarity. This is the principle that "powers are exercised most effectively, both in terms of policy outcomes [and] democratic engagement if they are as close as possible to citizens."³²³ However, he noted that the current English devolution debate often ignores this principle and instead, "what we think of as devolution is a much more limited form of delegation rather than actual devolution."³²⁴ He added:

*"Where successive Governments have got to is a quite understandable focus on the importance of growth, but we run the risk of overestimating the importance of economic growth when other things are also important, democratic participation, the environment, the places where people live, people's ability to participate in politics."*³²⁵

Strengthening trust in democracy must be central to any future devolution reforms. Professor Tony Travers warned that "democracy in this country and many others is under threat. People trust liberal democracy less than they used to".³²⁶ Recent polling suggests that around 40 per cent of people in England believe that having a directly elected Mayor gives their area a voice in Westminster, ensures local government is accountable to local residents, brings their local

³²¹ According to the most recent data available, London had the highest labour productivity level (output per hour worked) of any UK region in 2023, which was 28.5 per cent higher than the UK average. However, between 2019 and 2023, London had the largest fall in labour productivity (-0.3 per cent) of any UK region. Office for National Statistics (2025), '[Regional and subregional labour productivity: UK: 2023](#)'.

³²² London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, p. 6.

³²³ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 17.

³²⁴ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 17.

³²⁵ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 14 May 2025, p. 5.

³²⁶ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, p. 3.

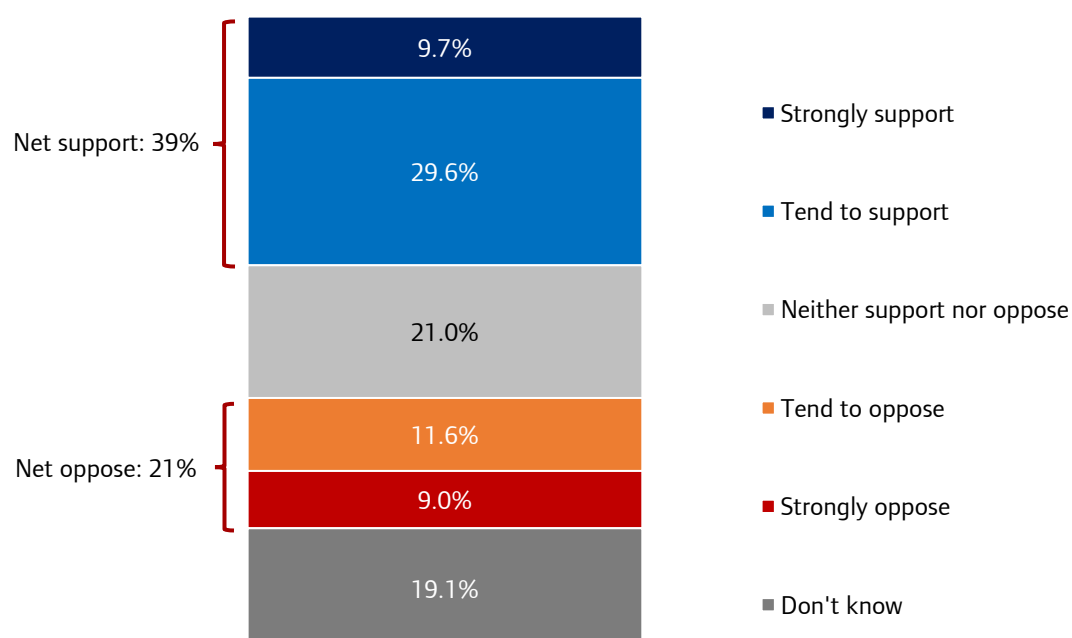
community together, and makes residents more interested in local government. A similar proportion believe that directly elected Mayors have a positive impact on the quality of services in their local area and the quality of decision-making. In contrast, only 16 per cent think that directly elected Mayors have a negative impact in these areas.³²⁷ Professor Travers further argued that devolution can enhance trust and democratic engagement:

“For those of us interested in ensuring liberal democracy in its purest form, or as pure as we can make it work, there are very powerful arguments in terms of sustaining and refreshing our democratic system for having more decisions made at City Hall and at Town Halls, because that in turn will strengthen people’s trust in democracy because they [...] have more access and they trust [...] politicians that are more local to them, than those who are in Westminster.”³²⁸

Londoners’ views on devolved powers

As part of our investigation, we asked a representative sample of Londoners for their views on the devolution of powers to the Mayor of London. When asked whether they support or oppose the office of the Mayor getting additional devolved powers, Londoners are almost twice as likely to support (39 per cent) than oppose (21 per cent) the Mayor having more devolved powers.³²⁹ These results are illustrated in figure 4. This corresponds closely with the support for Mayoral devolution expressed in nationwide polling cited in the previous section. This level of support suggests a strong public appetite for expanding the Mayor’s devolved powers.

Figure 4: Londoners’ support for the Mayor getting additional devolved powers³³⁰



³²⁷ Ipsos (2025), [Ipsos UK/LGIU Local Elections polling](#), p. 21.

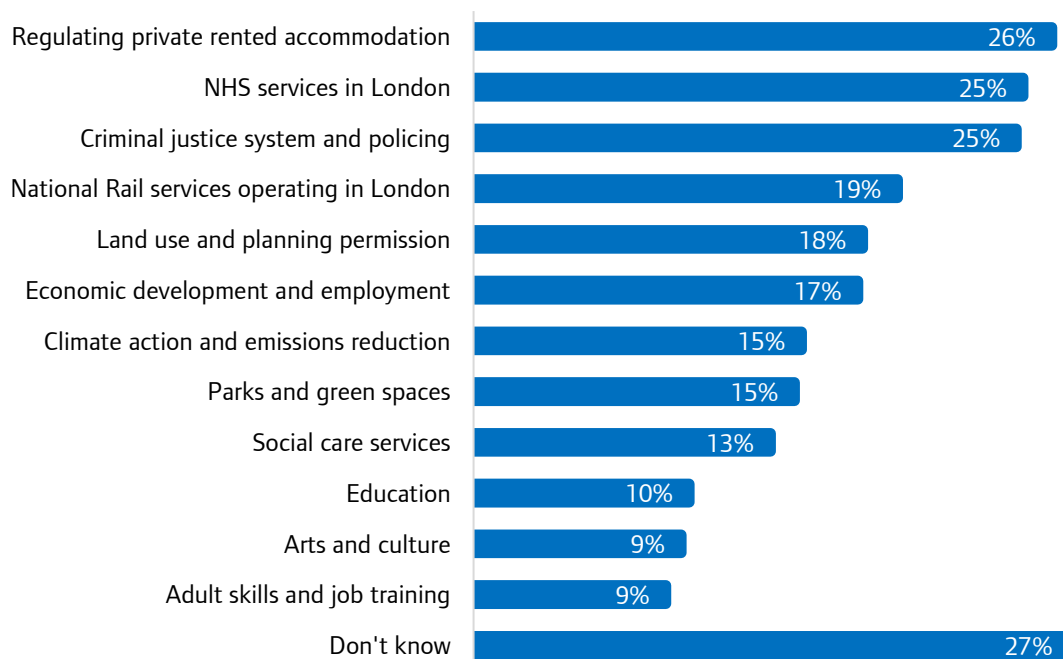
³²⁸ London Assembly, [GLA Oversight Committee Transcript Panel 1](#), 9 July 2025, p. 3.

³²⁹ Greater London Authority (2025), [London Devolution Polling – June 2025](#), Question 2.

³³⁰ Greater London Authority (2025), [London Devolution Polling – June 2025](#), Question 2 asked: “To what extent, if at all, do you support or oppose the office of the Mayor of London getting additional devolved powers?”

We also asked Londoners for their views on areas in which they think the office of the Mayor of London should have more devolved powers. Giving the option to choose up to three areas, Londoners were most likely to support the Mayor having more devolved powers in regulating private rented accommodation (26 per cent), NHS services in London (25 per cent), and the criminal justice system and policing (25 per cent). Londoners also expressed significant interest in the Mayor of London having more devolved powers over National Rail services operating in London (19 per cent), land use and planning permission (18 per cent), and economic development and employment (17 per cent).³³¹ These results are illustrated in figure 5 and reflect broad-based support for deeper devolution across a range of policy areas in London.

Figure 5: Londoners' views on potential powers to be devolved to the Mayor³³²



New responsibilities must be matched with stronger fiscal and scrutiny powers

We welcome the opportunity offered by the English Devolution and Community Empowerment Bill to add powers to the Devolution Framework. This gives the Mayor and London Assembly a chance to reiterate the case for London to receive additional devolved powers. As the Government considers future iterations of the Devolution Framework, it should recognise London's institutional maturity and proven capacity to take on greater responsibilities. Several contributors to our investigation observed that London's successful experience of deepening its devolution settlement over the past 25 years means that it is uniquely positioned to lead the way in testing and shaping future devolved powers.

While we strongly support the Mayor receiving additional devolved powers, these must be accompanied by enhanced fiscal autonomy and scrutiny powers for the Assembly. As outlined in chapter two, it is vital that any new powers come with either the financial resources or the

³³¹ Greater London Authority (2025), [London Devolution Polling – June 2025](#), Question 3.

³³² Greater London Authority (2025), [London Devolution Polling – June 2025](#), Question 3 asked: "If you had to choose, in which of the following areas do you think the office of the Mayor of London should receive more devolved powers? Please select up to three."

ability to raise the revenues needed to implement them. Otherwise, accountability can become blurred. Chapter four further argues that the Assembly's scrutiny powers and resources must be reinforced to match any expansion of the Mayor's competencies. As Jack Shaw noted, "additional scrutiny should be a quid-pro-quo for new competencies."³³³

Accordingly, and in the context of the Government's current proposed devolution reforms, this report focuses primarily on the need for greater fiscal autonomy and stronger scrutiny powers rather than specifying particular devolved powers. The remainder of this chapter explores the opportunities available for further devolution in the Government's proposals and outlines how the Mayor and the London Assembly can make the most of these.

Opportunities for London in the Government's devolution proposals

Devolving powers via secondary legislation

While the English Devolution and Community Empowerment Bill does not directly devolve new powers in key areas, it raises the prospect of future devolution to the GLA. Currently, the devolution of significant new powers to London can only occur through primary legislation, which typically amends the GLA Act.³³⁴ Schedule 23 of the Bill (as introduced) grants the Government power to devolve new functions to the GLA, the Mayor, or a GLA functional body via regulations, as it already can for combined authorities.³³⁵

We welcome this as one of the most significant implications of the Bill for London, since it removes the need for primary legislation in devolving new powers. However, we are also aware that the devolution of new powers via regulations is restricted to functions that are so-called "eligible functions", which are defined as "an existing function of a public authority" in England.³³⁶ These must fall within the seven areas of competence to which the Bill applies. These are: transport and local infrastructure; skills and employment support; housing and strategic planning; economic development and regeneration; the environment and climate change; health, well-being and public service reform; and public safety.³³⁷

Before making regulations to confer new functions via regulations, the Bill states that the Government will need to consult the Mayor of London, the London Assembly, the relevant GLA functional body (if relevant), the London Borough councils, the Common Council of the City of London, and "any other person who exercises the function" or the "Secretary of State considers it appropriate to consult."³³⁸ We welcome that the Government will consult the Assembly prior to devolving new functions to the GLA. However, we also note that the Bill does not specify how this consultation should take place. We call on the Government to ensure that any such consultation will be timely, clear, specific, and give the Assembly sufficient time to respond.

³³³ Written evidence submitted by Jack Shaw [\[DR002\]](#), p. 14.

³³⁴ UK Parliament (2025), [English Devolution and Community Empowerment Bill: Explanatory Notes](#), p. 121.

³³⁵ UK Parliament, [English Devolution and Community Empowerment Bill](#), Bill 283 2024-25 (as introduced), p. 236.

³³⁶ UK Parliament (2025), [English Devolution and Community Empowerment Bill: Explanatory Notes](#), p. 153.

³³⁷ UK Parliament, [English Devolution and Community Empowerment Bill](#), Bill 283 2024-25 (as introduced), p. 2.

³³⁸ UK Parliament, [English Devolution and Community Empowerment Bill](#), Bill 283 2024-25 (as introduced), p. 236.

Recommendation 12

We call on the Government to amend the English Devolution and Community Empowerment Bill as it passes through Parliament to include a requirement for any new proposals for devolved powers to include explicit consideration of the scrutiny function and resources that would be required alongside the powers.

Requesting further devolved powers

The English Devolution and Community Empowerment Bill formalises the powers that will be available to different levels of strategic authority under the Government's new Devolution Framework. The three different levels of strategic authority are: Established Mayoral Strategic Authorities; Mayoral Strategic Authorities; and Foundation Strategic Authorities. The Bill confirms that the GLA will be classified as an Established Mayoral Strategic Authority³³⁹ and the accompanying guidance notes that "powers and duties in the Devolution Framework will be applied to the GLA on a case-by-case basis."³⁴⁰

We welcome that the Bill provides for the Mayor of London, along with the mayors of other Established Mayoral Strategic Authorities, to request further devolved powers. Section 49 specifies that these requests can come from one or more mayors, and they can cover changes to the law, funding, or any other change relating to strategic authorities. The Bill also provides that the Secretary of State can publish guidance on the formal request process, which the Mayor would need to follow when making a request. The most significant change is that the Bill would introduce a duty for the Secretary of State to respond to the request within six months, notifying the Mayor of the decision and the reasons for making it.³⁴¹

We encourage the Mayor of London to use this opportunity to explore and propose additional functions to be added to the Devolution Framework. This will allow the GLA to fill the gaps in London's devolution settlement identified during this investigation and in previous work.

The right to request additional devolved powers and receive a response from the Government is restricted to the Mayor and does not extend to the Assembly. Although the Assembly can make recommendations for new devolved powers, the Bill does not introduce a duty to respond to such requests. This could limit the Assembly's ability to provide input to major decisions that will shape the future of London's devolution settlement.

To ensure that London's devolution settlement reflects the views of all Londoners, it is vital that both constituent parts of the GLA – the Mayor and the Assembly – are involved in shaping future devolved powers. While the English Devolution and Community Empowerment Bill rightly empowers the Mayor to initiate requests for further devolution, it overlooks the Assembly's role as a democratic counterbalance and representative body for a city of 9 million people. Without a formal requirement for the Mayor to consult the Assembly, there is a risk that future requests for devolved powers may not fully reflect the breadth of London's needs or benefit from the scrutiny the Assembly can provide. To address this, we recommend that Section 49 of the Bill

³³⁹ UK Parliament, [English Devolution and Community Empowerment Bill](#), Bill 283 2024-25 (as introduced), p. 2.

³⁴⁰ MHCLG (2025), [English Devolution and Community Empowerment Bill: Guidance](#).

³⁴¹ UK Parliament, [English Devolution and Community Empowerment Bill](#), Bill 283 2024-25 (as introduced), p. 54.

(as introduced) should be amended to specify the London Assembly as a required consultee when the Mayor of London requests new powers be added to the Devolution Framework.

Recommendation 13

We call on the Government to amend Section 49 of the English Devolution and Community Empowerment Bill (as introduced) as it passes through Parliament to specify the London Assembly as a required consultee when the Mayor of London requests a change to the law relating to the GLA as an Established Mayoral Strategic Authority, including requests for new devolved powers. The Government should commit to ensure that any consultation it conducts on new requested devolved functions will be timely, clear, specific, and give the Assembly sufficient time to respond.

Examining the GLA Act

We welcome the commitment in the White Paper to examine the GLA Act. Specifically, the White Paper states that the Government will “examine the Greater London Authority Act 1999 (as amended) to remove any unnecessary or dated provisions and ensure the Act is fit to support the capital’s continued growth and prosperity.”³⁴²

This report identifies several issues that could be addressed when examining the GLA Act. These include strengthening the Assembly’s scrutiny powers, including by requiring the Mayor to provide a forward plan of key decisions, broadening the Assembly’s summoning powers and ability to scrutinise key service providers in areas that matter to Londoners, and enhancing the scrutiny of the GLA budget process. These are discussed in further detail in chapter four.

Strengthening coordination between the Mayor and Assembly

It is essential that the London Assembly is treated as an equal partner to the Mayor in any discussions about amendments to the GLA Act and future devolved powers. To make the most of this opportunity to strengthen London’s devolution settlement, the Mayor should actively seek the Assembly’s input during negotiations with the Government. We welcomed the active participation of the Mayor’s Office in this investigation, and our productive meeting with the Mayor’s Deputy Chief of Staff highlighted the value of open communication and collaboration in navigating the implications of the Government’s ongoing devolution reforms.

Close coordination between the Mayor and the Assembly will be essential in supporting the Government’s examination of the GLA Act and exercising the Mayor’s right to request additional devolved powers. This could be achieved by establishing a Joint Commission, jointly appointed by the Mayor and the Assembly, tasked with reviewing the GLA Act, proposing amendments to remove unnecessary or outdated provisions, and identifying new powers for inclusion in the Devolution Framework. Commissioners would be selected for their relevant expertise and to reflect London’s diversity, alongside representatives of the Assembly and the Mayor. The Commission would hold public hearings and invite written evidence from Londoners and external experts on potential amendments and additional devolved powers. Based on this

³⁴² MHCLG (2024), [English Devolution White Paper](#), p. 36.

evidence, it would produce recommendations on behalf of the Mayor and Assembly for consideration by the Government.

Learning from international examples: New York City's Charter Revision Commissions

The New York City Charter defines the organisation, functions, and essential procedures and policies of the New York City Government. It outlines the "institutions and processes of the City's political system and broadly defines the authority and responsibilities of City agencies and elected officials."³⁴³

Charter Revision Commissions in New York City are temporary bodies established under New York State law to review the entire charter and propose amendments for voter approval. These commissions may recommend wide-ranging amendments or narrowly focus on specific areas. All proposed amendments must be within the City's local legislative powers as defined by the New York State Constitution and State law.³⁴⁴

In 2025, two Charter Revision Commissions were convened simultaneously:

- 1. Mayoral Commission:** In December 2024, Mayor Eric Adams established a Charter Revision Commission and appointed 13 civic and community leaders as members. While the commission is legally required to review the entire charter, the Mayor specifically tasked it with examining amendments to address the city's housing crisis and promote fair housing across New York's five boroughs.³⁴⁵ Over seven months, the commission held public input sessions in all five boroughs and invited written testimony. It heard more than 30 hours of testimony, with over 800 New Yorkers attending its public hearings.³⁴⁶ The commission's final report, published in July 2025, contains five proposed amendments addressing housing, land use, the city map, and elections, which will be submitted to voters for approval.³⁴⁷
- 2. City Council Commission:** In November 2024, the New York City Council passed legislation to establish a separate Charter Revision Commission with the stated aim of improving "public confidence in city government and [enhancing] accountability and transparency."³⁴⁸ This commission comprises 17 members, with nine appointed by the Speaker of the New York City Council and eight by the Mayor, Public Advocate, Comptroller, and each of the five Borough Presidents.³⁴⁹ Public hearings have been held in each borough and online.³⁵⁰ Based on testimony at these meetings and

³⁴³ NYC Charter Revision Commission (n.d.), '[About Charter Revision Commissions](#)' (accessed 18 August 2025).

³⁴⁴ NYC Charter Revision Commission (2025), '[About Charter Revision Commissions](#)'.

³⁴⁵ NYC Charter Revision Commission (2025), '[2025 NYC Charter Revision Commission Final Report](#)'.

³⁴⁶ NYC Charter Revision Commission (2025), '[2025 NYC Charter Revision Commission Final Report](#)'.

³⁴⁷ NYC Charter Revision Commission (2025), '[Charter Revision Commission: Adopted Final Report](#)'.

³⁴⁸ NYC Commission to Strengthen Local Democracy (2025) '[The Commission: What is it & how does it work?](#)'.

³⁴⁹ NYC Commission to Strengthen Local Democracy (2025) '[The Commission: What is it & how does it work?](#)'.

³⁵⁰ NYC Commission to Strengthen Local Democracy (2025) '[Past hearings](#)'.

analysis by policy experts, the Commission will publish a final report with recommendations for proposed amendments to be put to voters in 2026.³⁵¹

The GLA could draw lessons from New York City's Charter Revision Commissions. Although New York convened two separate commissions in 2025, this was driven by political tensions between the Mayor and the City Council. To avoid duplication and ensure effective coordination, the proposed Joint Commission should be appointed jointly by both the Mayor and Assembly. Given the different governance arrangements in place in London, the Joint Commission's recommendations would be directed to the Government rather than being designed for approval in a public vote. Nonetheless, meaningful public engagement would be ensured by holding public meetings and inviting evidence from across London boroughs.

Recommendation 14

In the context of the examination of the GLA Act proposed by the Government, we call on the Mayor of London to work with the London Assembly to establish a Joint Commission to review the GLA Act in detail, propose amendments to remove unnecessary or dated provisions, and identify additional powers to be requested by the Mayor of London for inclusion in the Devolution Framework. The Joint Commission should be established by December 2025.

³⁵¹ NYC Commission to Strengthen Local Democracy (2025) [‘The Commission: What is it & how does it work?’](#).

Committee Activity

Investigation aims and objectives

This investigation set out to examine the potential impacts on the Greater London Authority and the London Assembly of the Government's proposals to introduce greater devolved powers as outlined in the English Devolution White Paper and the English Devolution and Community Empowerment Bill. Specifically, it aimed to:

- examine the functioning of London's current devolution settlement, its successes and challenges, and its alignment with the Government's proposed devolution plans.
- identify priority areas for London in any new devolution settlement.
- assess the opportunities available to London through the White Paper and the proposed devolution framework in the English Devolution and Community Empowerment Bill.
- consider the views of Londoners on the powers of the Mayor of London and the London Assembly.

Devolution Working Group

On 14 May 2025, the Committee established a Devolution Working Group to undertake in-depth work, provide additional resource, and gather evidence in parallel with the Committee's formal meetings, due to the proposed timescale of investigation.

Evidence gathering

Formal meetings:

The Committee heard from the following expert contributors during three formal meetings.

- **Meeting 1 (14 May 2025)**
 - **Panel 1:**
 - **Professor Patrick Diamond**, Professor in Public Policy, Queen Mary University of London
 - **Dr Janice Morphet**, Visiting Professor, The Bartlett School of Planning, University College London
 - **Dr Jack Newman**, Research Fellow, University of Bristol
 - **Panel 2:**
 - **Hamida Ali**, Head of Learning and Practice, The Future Governance Forum
 - **Rob Anderson**, Research Director, Centre for London
 - **Richard Brown**, Author and Freelance Consultant, Richard Brown Consulting
 - **David Phillips**, Associate Director, Institute for Fiscal Studies
- **Meeting 2 (12 June 2025)**
 - **Municipality of Milan:**
 - **Filippo Barberis**, Chief of Staff to the Mayor of Milan
 - **Gaia Romani**, Deputy Mayor of the Municipality of Milan for Decentralisation, Neighbourhoods, and Participation

- **City of Toronto:**
 - **John Elvidge**, City Clerk, City of Toronto
- **Meeting 3 (9 July 2025)**
 - **Panel 1:**
 - **Cllr Claire Holland**, Chair of London Councils
 - **Professor Tony Travers**, Professor in Practice and Associate Dean of the LSE School of Public Policy
 - **Panel 2:**
 - **Richard Watts**, Deputy Chief of Staff to the Mayor of London

Informal meetings:

The Committee heard from additional expert contributors and representatives from global city governments during the following informal meetings with the Devolution Working Group:

- **Professor Tony Travers**, Professor in Practice and Associate Dean of the LSE School of Public Policy (20 May 2025)
- **Senate Chancellery of Berlin: Dr Rainer Seider**, Head of International Division, The Governing Mayor of Berlin – Senate Chancellery (4 July 2025)
- **Ministry of Housing, Communities and Local Government** (21 July 2025)
- **New York City Council: Council Member Lincoln Restler**, Chair of the City Council Committee on Governmental Operations, State & Federal Legislation (28 July 2025)

Fact-finding visit to Paris:

On 17 July 2025, four Committee Members participated in a fact-finding visit to Paris to identify lessons learned and good practices from the City of Paris and other global city governments during the following meetings:

- **Organisation for Economic Co-operation and Development (OECD) – Centre for Entrepreneurship, SMEs, Regions and Cities:**
 - **Dorothee Allain-Dupré**, Head of Division, Regional Development and Multi-Level Governance Division
 - **Soo-Jin Kim**, Deputy Head of Division, Cities, Urban Policies and Sustainable Development
 - **Isabelle Chatry**, Head of Unit, Decentralisation, Subnational Finance and Infrastructure
 - **Alexander Lembcke**, Head of Unit, Economic Analysis
 - **Lucas Leblanc**, Counsellor, Local Employment and Economic Development (LEED) Programme
 - **Miquel Vidal-Bover**, Policy Analyst, Decentralisation, Subnational Finance and Infrastructure
- **Ville de Paris (City of Paris):**
 - **Patrick Bloche**, First Deputy Mayor of Paris (with responsibility for education, early childhood, families, new learning, the Council of Paris, relations with the arrondissements, and public service transformation)
 - **Johanne Kouassi**, Councillor of Paris (with responsibility for early childhood, local public services, and relations with the arrondissements)
 - **Marie Villette**, Secretary General of the City of Paris

- **Claire Messé**, Project Manager – Europe, International Relations Department
- **ESSEC Business School:**
 - **Professor Edouard Dequeker**, Academic Director of the Chair of Urban Economics

Targeted call for evidence:

On 4 June 2025, the Committee launched a targeted call for evidence by inviting 20 stakeholders with expertise on English devolution to submit written evidence as an input to the investigation. The targeted call for evidence contained six questions related to the aims and objectives of the investigation. The deadline for submissions was 30 June 2025. Written evidence for publication was received from the following contributors:

- Local Government Information Unit [\[DR001\]](#)
- Jack Shaw, Policy Fellow, The Productivity Institute [\[DR002\]](#)
- Localis [\[DR003\]](#)
- Professor Tony Travers, Professor in Practice and Associate Dean of the LSE School of Public Policy [\[DR004\]](#)

YouGov survey:

The Committee commissioned a representative [survey](#) of Londoners through the GLA City Intelligence Unit with YouGov. This survey was carried out between 20 and 26 June 2025, with responses received from 1,090 London residents aged 18 and above. Questions in the survey focused on Londoners' awareness of the Government's devolution reforms, levels of support for further devolution to the office of the Mayor of London, fiscal devolution, and the scrutiny powers of the London Assembly. Respondents completed the survey online from an email link. The results were weighted to be representative of all London adults.

Other formats and languages

If you, or someone you know needs this report in large print or braille, or a copy of the summary and main findings in another language, then please call us on: 020 7983 4100 or email assembly.translations@london.gov.uk

Chinese

如您需要这份文件的简介的翻译本，
请电话联系或按上面所提供的邮寄地址或
Email 与我们联系。

Vietnamese

Nếu ông (bà) muốn nội dung văn bản này được dịch sang tiếng Việt, xin vui lòng liên hệ với chúng tôi bằng điện thoại, thư hoặc thư điện tử theo địa chỉ ở trên.

Greek

Εάν επιθυμείτε περίληψη αυτού του κειμένου στην γλώσσα σας, παρακαλώ καλέστε τον αριθμό ή επικοινωνήστε μαζί μας στην ανωτέρω ταχυδρομική ή την ηλεκτρονική διεύθυνση.

Turkish

Bu belgenin kendi dilinize çevrilmiş bir özetini okumak isterseniz, lütfen yukarıdaki telefon numarasını arayın, veya posta ya da e-posta adresi aracılığıyla bizimle temasa geçin.

Punjabi

ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਸੰਖੇਪ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਲੈਣਾ ਚਾਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਉਪਰ ਦਿੱਤੇ ਡਾਕ ਜਾਂ ਈਮੇਲ ਪਤੇ 'ਤੇ ਸਾਨੂੰ ਸੰਪਰਕ ਕਰੋ।

Hindi

यदि आपको इस दस्तावेज़ का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

Bengali

আপনি যদি এই দলিলের একটা সারাংশ নিজের ভাষায় পেতে চান, তাহলে দয়া করে ফো করবেন অথবা উল্লেখিত ডাক ঠিকানায় বা ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করবেন।

Urdu

اگر آپ کو اس دستاویز کا خلاصہ اپنی زبان میں درکار ہو تو، براہ کرم نمبر پر فون کریں یا مذکورہ بالا ڈاک کے پتے یا ای میل پتے پر ہم سے رابطہ کریں۔

Arabic

الحصول على ملخص لهذا المستند بلغتك،
فرجاء الاتصال برقم الهاتف أو الاتصال على
العنوان البريدي العادي أو عنوان البريد
الإلكتروني أعلاه.

Gujarati

જો તમારે આ દસ્તાવેજનો સાર તમારી ભાષામાં જોઈતો હોય તો ઉપર આપેલ નંબર પર ફોન કરો અથવા ઉપર આપેલ ટપાલ અથવા ઇ-મેઈલ સરનામા પર અમારો સંપર્ક કરો.

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