

MAYOR OF LONDON

Neil Garratt AM

Chairman of the London Assembly Budget and
Performance Committee
C/o Gino.Brand@london.gov.uk

Our ref: MGLA170125-8254

Date: 19 February 2025

Dear Neil,

Re: Draft 2025-26 GLA: Mayor Budget

Thank you for your letter following the Budget and Performance Committee's meeting on 19 November 2024. I am grateful for the Committee's engagement and recommendations, my response to which is attached.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small number '2' written below the name.

Sir Sadiq Khan

Mayor of London

Cc: David Bellamy – Chief of Staff
Fay Hammond – Chief Finance Officer
Elliott Ball – Interim Director, Group Finance and Performance
Gino Brand – Senior Policy Adviser, Scrutiny and Investigation (London Assembly)
Paul Goodchild – Principal Committee Manager, Secretariat (London Assembly)

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Annex

Mayor of London's response to the London Assembly Budget and Performance Committee's recommendations on Draft 2025-26 GLA: Mayor Budget

Recommendation 1

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

The Mayor set out the cost and funding source for the Universal Free School Meals (USFM) programme in his Draft Consolidated Budget for 2025-26 ("Draft Budget"), published on 15 January 2025. The programme is funded from retained business rates, and the costs for the 2025-26 academic year are £147.5 million.

Recommendation 2

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

The Draft Consolidated Budget was published in January, and the Final Draft Consolidated Budget was published on 17 February 2025.

In the 2024-25 academic year, every borough in the capital received £3 per meal in funding to enable schools to deliver the meals, a 13 per cent increase on funding for 2023-24 reflecting feedback on implementation from schools and boroughs in year one.

At the start of the programme, the Mayor set aside an additional £5 million for any extraordinary implementation costs, specific access requirements for children with certain extraordinary and specific circumstances, such as children with special educational needs and disabilities (SEND), and pupils who may have specific dietary requirements in connection with their religion or belief. This was in response to findings in the Equality Impact Assessment.

In 2023-24, state special schools could apply for additional funding through this fund for extraordinary costs associated with the delivery of the programme. For 2024-25, the GLA is continuing to provide this funding through an application process. Any school that is able to evidence take-up higher than 90 per cent will continue to receive the necessary funding.

The price per meal for the 2025-26 academic year will be confirmed through a Mayoral Decision in the coming weeks. The additional funding needed for faith-based meals, SEND provision and payments to schools that applied for high uptake top-up funding has been included in the core programme budget.

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Recommendation 3

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

The UFSM programme is a key element of the implementation of the Mayor's London Food Strategy. The Mayor is keen that food policy work continues to be treated as an important issue. In addition to the commitment on UFSM, the GLA is creating a larger Green Roots programme as part of delivering the Mayor's manifesto, which is likely to include an offer of grant funding responding to community need for, and use of, green space, which, if indicated by communities, could include food-growing activities.

Recommendation 4

The Committee requests clarity regarding the timelines for the two immediate aspects of the Oxford Street scheme mentioned by the Executive Director:

- 1) Will this proposed consultation in early 2025 be specifically about the creation of the Mayoral Development Corporation only?
- 2) If so, when will the consultation on the design of the pedestrianisation of Oxford Street be launched?

The GLA plans to launch an initial consultation in early 2025 to seek views on the establishment of a Mayoral Development Area, and ultimately a Mayoral Development Corporation, to facilitate the transformation of Oxford Street. The consultation will also seek views on the principle of pedestrianisation. Following consultation, were the decision to be taken by the Mayor to progress, detailed designs and plans would be developed and consulted on in due course.

Recommendation 5

The Committee recommends that the Final Draft Consolidated Budget publication in February 2025, or an accompanying letter to this Committee, sets out more details on the budgetary impact of the full project to re-develop the Crystal Palace National Sports Centre. This should include:

- a. the amount that the GLA has spent on the Crystal Palace National Sports Centre up to this point;
- b. The current anticipated total costs of the redevelopment;
- c. The scope, expected costs and funding source for 'phase 2' funding; and
- d. The anticipated timeline of the redevelopment for the full project;
- e. The full proportion of the Green Finance Fund that will be allocated to this project.

To date, the GLA has spent £4.6 million on the redevelopment of the Crystal Palace National Sports Centre. These costs relate to professional fees to RIBA Stage 2 and early improvement works on site.

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The project team is currently undertaking the competitive procurement of the construction contractor, and therefore budget and costs figures remain commercially confidential until that process is complete. At that time, the GLA will be able to provide an estimate of the total anticipated costs for the redevelopment.

Phase 2 would increase the scope to include the stadium and lodge works and is subject to ongoing feasibility work. Given the ongoing procurement exercise, these costs remain commercially confidential; however, should this scope be brought forward, it is expected to be funded by external partner bodies.

As publicised in 2023, the full redevelopment programme for the Crystal Palace National Sports Centre is expected to take five years, with construction due to commence in 2026 and completion anticipated in summer 2028. A total of £31.3 million has been allocated to the project from the Green Finance Fund.

Recommendation 6

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

Where it is appropriate and reasonable to do so, the GLA will consult the Committee on any implications for the budget process of a move to a multi-year integrated settlement. It is possible that negotiation with the government will still be ongoing at the time the Mayor's Budget Guidance for 2026-27 is published, so any implications may not be able to be fully reflected in it.