

# MAYOR OF LONDON

**Neil Garratt AM**

Chairman of the London Assembly Budget and  
Performance Committee  
C/o [Gino.Brand@london.gov.uk](mailto:Gino.Brand@london.gov.uk)

**Our ref:** MGLA220125-8675

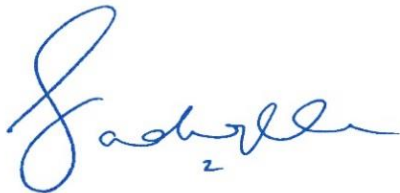
**Date:** 19 February 2025

Dear Neil,

**Re: GLA Group 2025-26 Budget**

Thank you for your letter following the Budget and Performance Committee's meeting on 12 December 2024. I am grateful for the Committee's engagement and recommendations, my response to which is attached.

Yours sincerely,



**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 recommendations of the London Assembly Budget and Performance Committee on GLA Group 2025-26 Budget**

#### **Recommendation 1**

The Mayor and his officials should keep this Committee informed of any development of the terms of any integrated settlement, including regular updates on the GLA's progress and engagement with the Government.

Where it is appropriate and reasonable to do so, the GLA will keep the Committee informed on the development towards an integrated settlement. Formal discussions have not begun between the Government and the GLA. The GLA's understanding of what an integrated settlement might include is based on publicly available information in relation to the deals with Greater Manchester and West Midlands Combined Authorities.

#### **Recommendation 2**

In response to this letter, the Mayor commits to sharing the mandates and publishing the related delivery plans MDs in advance of the London Assembly's final consideration of the 2025-26 Budget on 25 February 2025 to allow for comprehensive scrutiny of your 2025-26 Budget proposals.

The GLA: Mayor Draft Budget 2025-26, published in November 2024, was shaped by the 14 mayoral mandates. All but one of these mandates are now published on the GLA's intranet and have been shared with the GLA Oversight Committee. The last one, for the Reducing Inequalities programme, will be uploaded as soon as possible.

Mandates related to the programmes under the transport and safety themes for delivery by TfL and MOPAC, respectively, are still being finalised and will be published in due course. The Mayor will approve the programmes of work, which are the response to each mandates, via Mayoral Decisions (MD). The programmes will develop further by the time the final GLA: Mayor budget is finalised in March 2025, and the MDs will start to be published soon after that in accordance with the GLA's Mayoral Decision-Making Framework.

#### **Recommendation 3**

In response to this letter, the Mayor should provide an update to the Committee on the timeline for the PPA framework award and progress on the Renewable Energy Assets Investment Strategy and allocate budget towards it.

### *Background*

The GLA Group Clean Energy Programme advances the GLA Group's objective to achieve net zero by 2030. A key part of this is the use of Power Purchase Agreements (PPAs). This would see the GLA Group aggregating its electricity requirements and entering into a long-term contract for energy from renewable sources. The programme is organised along three main workstreams:

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- Workstream 1: Transport for London only PPA and Private Wire Project.
- Workstream 2: Development of a GLA Group Clean Energy Commercial Strategy which, will guide future phases of its clean power efforts.
- Workstream 3: Clean power projects, including:
  - Procurement of a multi-party PPA for the GLA Group
  - Commercial Models – Joint Venture: focus on identifying commercial / joint venture models that generate and provide clean power to the GLA Group, in pursuit of securing renewable power.
  - Policy - share knowledge with London-based public sector organisations and seek to provide them with access to commercial/joint venture models in their pursuit of renewable power.

## PPA framework award

GLA Group officers continue to work on the PPA through a public buying organisation approach. This means a group of public sector organisations is coming together to buy their clean power. Officers are exploring using the Crown Commercial Service's PPA framework, which is due to be launched in Spring 2025. A timeline will be established once the decision on whether to use this framework has been taken.

## Renewable Assets Investment Strategy

The GLA's Commercial Models, Joint Venture Project (which Assembly refer to as the Renewable Assets Investment Strategy) is still in development and will be subject to further approvals. Charly Hutson is writing to you directly following the Budget & Performance Committee meeting on 12 December with a summary of the JV options under consideration. Work is ongoing to review these options to ensure alignment with evolving market conditions, financial models and the strategic goals of the GLA Group, as well as national priorities on clean energy including in the Local Power Plan. The cost and savings figures will be developed as the programme progresses.

## Budget allocation

The Mayor has been clear in his commitment to achieving net zero carbon city by 2030 and has consistently supported the GLA Group Collaborative Clean Power Programme with funding for the project team (including subject matter experts) through the Group Collaboration Programme budget allocation.

Work continues on a thorough analysis of the options for a commercial model/JV project and consideration will be given to how to fund this when the recommended approach is clear.

### **Recommendation 4**

The Mayor should ensure Equality Impact Assessments are conducted at a point that maximises their positive impact on decision-making and mitigates negative effects on protected characteristics in the 2026-27 budget-setting process. This requirement should be included in the 2026-27 Mayor's Budget Guidance.

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Equalities teams across the GLA Group provided Equality Impact Assessments (EqIA) as part of their budget submissions, published in November 2024. Following the publication of the Consultation Budget in December, the GLA Equalities team worked with functional bodies to confirm the appropriateness and statutory compliance of each EqIA.

To ensure that equality impact assessments for the GLA Group budget are as effective as possible, the GLA Equalities and Group Finance teams have begun a review of the 2025-26 process in advance of publishing the Mayor's Budget Guidance for 2026-27.

In addition, the GLA Equalities team is in the process of establishing an EqIA working group that includes members from across the GLA Group, to ensure that best practice is shared and common challenges in relation to fulfilling the Public Sector Equality Duty are addressed throughout the GLA Group.