

MAYOR OF LONDON

Neil Garratt AM

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

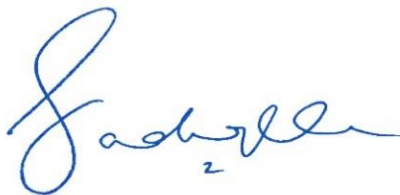
Our ref: MGLA071125-8006

Date: 23 January 2026

Dear Neil,

Thank you for your letter of 7 November 2025 following the Budget and Performance Committee's discussion with external experts on the delivery of critical services by the Greater London Authority (GLA) Group. 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 '2' written below the name.

Sir Sadiq Khan

Mayor of London

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

MAYOR OF LONDON

Annex

Mayor of London's response to the recommendations of the London Assembly Budget and Performance Committee on the 2026-27 budget process

Recommendation 1

The Committee would like to see a clear and transparent approach to the development of the 2026-27 Budget. While we understand the significant amount of uncertainty facing the GLA, we ask that the Mayor commits to updating the Committee as soon as possible as new information about GLA funding is confirmed.

The Mayor's [Consultation Budget for 2026-27](#) was published on 3 December, including in appendix I the timetable for the budget process. The [report accompanying the Draft Budget](#), published in January, includes funding information updates and the Mayor's response to them. The Final Draft Budget documents, to be published in February, will also include this information.

GLA finance officers may also report to the Committee on major government funding announcements outside of the budget documents, for example in their report of 2 December on the Ministry for Housing, Communities and Local Government's (MHCLG's) Policy Statement on Local Government Finance, published in November.

Recommendations 2 and 3

We urge you to use the 2026-27 Budget process to address the long-term financial sustainability of the Metropolitan Police.

We urge you to use the 2026-27 Budget process to address the long-term financial sustainability of the London Fire Brigade.

A key contributor to long term financial sustainability for both the Metropolitan Police ('the Met') and the London Fire Brigade (LFB) is the receipt of multi-year financial settlements from government. The November MHCLG Policy Settlement on Local Government Finance confirmed the government's commitment to deliver a multi-year settlement covering 2026-27 to 2028-29, which the Mayor strongly welcomes. The Mayor and the Met Commissioner continue to engage with government to request a long-term funding commitment for the Met.

The 2026-27 budget submissions of the Mayor's Office for Policing and Crime (MOPAC) and the London Fire Commissioner (LFC) provide details on the internal measures they are taking to improve finance resilience and address financial risks in their medium-term financial strategies. As reported in the Mayor's Draft Budget, both MOPAC and LFC have balanced budgets for 2026-27.

Recommendation 4

In the interests of transparency, the underlying assumptions for police officers and other staff should be included with the consolidated GLA budgets.

The [MOPAC budget submission 2026-27](#) sets out workforce assumptions for 2026-27.

MAYOR OF LONDON

Recommendation 5

The Committee urges you to encourage the Met to find ways to safeguard officers working on innovative problem-solving projects from abstraction.

Local officers solving problems and responding to local issues is the foundation of effective policing. That is why the Met has committed to ensuring that every ward in London has at least two Police Constables (PCs) and one Police Community Support Officer (PCSO). These officers are only abstracted to provide policing cover elsewhere, known as 'Aid', in exceptional circumstances.

It is important to note that not all forms of abstraction are necessarily negative to the local ward, officers must be 'abstracted' from their wards to undertake essential training or to give evidence at court – these activities should be considered an intrinsic part of their role.

To help monitor abstraction, MOPAC has developed a 'DWO Abstraction dashboard'. This is published and can be accessed via the [MOPAC Evidence & Insight](#) webpage. The dashboard breaks down the types of abstraction officers are subject to and provides a glossary of terms.

MOPAC continues to engage with the Met to minimise abstractions, whilst recognising the challenges posed by the significant level of public order policing required in recent times.

Recommendations 6 and 7

The Committee requests that the assumptions on the number of starts and the planned tenure underpinning the financial budget are included in the 2026-27 Budget.

Additionally, we encourage the GLA to share interim delivery milestones for the new Social and Affordable Homes Programme with the Committee once they are available.

Due to the risk of undermining commercial negotiations with partners, the GLA does not publish annual delivery expectations or targets for its affordable homes programmes (AHP).

The AHP aims to maximise delivery overall with a focus on social rent, in line with requirements agreed with MHCLG. The assumptions around delivery that are used to set the budget take into consideration the factors that impact AHP partners' ability to achieve starts and completion on projects, including timeframes for building safety regulator gateway checks; short, medium and long-term financial plans for their development programmes; the wider economic outlook impacting their operating and development costs; and organisations' funding priorities alongside development, such as plans for repairs.

The budget forecasts are based on an overall assessment that GLA housing teams undertook in quarter three of 2025-26 and will be adjusted throughout the year to reflect assessments of expected changes to delivery, and the associated impact on grant drawdown. The annual budgets are agreed with MHCLG and HM Treasury, with updates on delivery and adjustments made at mid-year and quarter three.

The timeframe for bidding and allocation for the London Social and Affordable Homes Programme (LSAHP) is expected to conclude in early summer 2026 and will be agreed with MHCLG following an assessment of bids, which are due to be submitted by April 2026. Officers will share overall programme delivery numbers and budgets with the Committee when these are agreed with MHCLG.

MAYOR OF LONDON

Recommendation 8

The Committee remains concerned about the lack of investment in the maintenance of TfL's existing network, and we urge TfL to prioritise its spending on capital renewals to address the backlog in asset maintenance.

In the Transport for London (TfL) budget submission for 2026-27, total renewals investment (including major asset replacement) is £856 million, £46.5 million more than the current year, and a substantial increase on the investment made pre-pandemic and during the pandemic years. TfL ensures capital investment is targeted correctly at keeping assets in the best possible condition and that major investment programmes stay on time and on budget.

The Mayor provided further details of TfL's capital renewals programme in his letter to the Committee on 3 December in response to the Committee's review of the first quarter of 2025-26.

Recommendation 9

The Budget and Performance Committee recognises that addressing fare evasion could provide significant additional resources for TfL, which would help support the running and development of the transport network. This will require ongoing focus from TfL, with the Assembly's Transport Committee setting out recommendations on steps that can be taken, in its letter of 2 September 2025.

The Mayor welcomes the support from the Committee for TfL's strategy to tackle fare evasion, with the aim of driving down the rate of fare evasion to 1.5 per cent by 2030-31. Fare evasion is a crime that denies TfL vital revenue to invest in running a safe and reliable transport system. It can also undermine fare-paying customers' confidence in the transport network. Frontline TfL colleagues reminding customers to tap in and pay the correct fare often results in work-related violence and aggression, with fare evasion the trigger in nearly 50 per cent of incidents of threats and assaults on staff.

TfL's efforts to tackle fare evasion are yielding results, with a year-on-year decrease. In 2026-27, TfL will bolster efforts to tackle fare evasion with an additional £11 million uplift in funding for a number of trials and feasibility studies to address chronic fare evasion and strengthen revenue protection.

On 13 October, the Commissioner of Transport replied to the London Assembly Transport Committee's recommendations on steps that can be taken, and the Mayor fully supports the Commissioner's response and actions being taken by TfL in response to fare evasion. The Commissioner's letter can be viewed at [Appendix 3 251013 - Elly Baker AM re Fare Evasion Response.pdf](#).

Recommendation 10

The GLA should include the presentation of its financial performance in the same format as the published budget in accordance with the GLA's own budget guidance.

A new performance measurement and reporting framework is currently under development. This new framework will replace legacy arrangements that are no longer consistent with the GLA's delivery plans. It is expected that reporting on the full set of GLA-led programmes will commence

MAYOR OF LONDON

from Q3 2025-26, and at that time the GLA performance reports will align with its published budgets.

Recommendation 11

The Committee supports this level of transparency. In this context, we note that we have yet to see the London Climate Budget reported in all the quarterly monitoring reports, and that this should be addressed going forward.

There is currently a mixed approach across the GLA Group, with some but not all organisations reporting on their Climate Budget performance through their quarterly monitoring reports. GLA officers are working with colleagues to improve compliance, and to assess whether an alternative reporting approach for the Climate Budget should be taken, for example via the GLA strategic 'Delivering a Greener, More Climate-Resilient London' programme reports.