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Draft GLA Budget 2027-28

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1. Executive summary

1.1. The Mayor's consolidated draft budget for the GLA Group for 2027-28 will be published for consultation in December 2026. It will bring together the plans of the GLA and its functional bodies:

- Transport for London (TfL)
- the Mayor's Office for Policing and Crime (MOPAC)
- the London Fire Commissioner (LFC)
- the London Legacy Development Corporation (LLDC)
- the Old Oak and Park Royal Development Corporation (OPDC)
- the Oxford Street Development Corporation (OSDC).

1.2. The statutory budget process for the GLA requires that the draft budget for the GLA: Mayor and GLA: Assembly components is published for consultation with the London Assembly, before the draft consolidated consultation budget is produced. Accordingly, this document has been provided for consideration at the Assembly's Budget and Performance Committee meeting on 17 November.

1.3. The Mayor's proposals for the GLA: Assembly component of this draft budget are set out in a decision made on 4 November by the Chairman of the GLA Oversight Committee under delegated authority (Appendix I). Given that this decision was made just before this draft budget was published, the Mayor will consider the Assembly's proposals later in the budget process. The rest of this document relates to the GLA: Mayor component budget.

Context for the development of this draft budget

1.4. As usual, this draft budget has been developed well before the GLA's provisional 2027-28 settlement from the government is known – although a multi-year funding settlement from last year provides a better indication of the overall settlement for the GLA than has been available at this point in previous years. It has, as usual, also been developed before business rates and council tax returns have been reported by London local authorities.

1.5. The Chancellor's Budget was delivered on 28 October, less than two weeks before the publication of this draft budget. The full implications for the GLA will become clearer in the weeks and months ahead and where possible these will be addressed in the final budget.

1.6. In Rewiring the State, the Cabinet statement published on 31 July, the government made clear its intention to shift power, funding and accountability from Whitehall to local leaders – underpinned by the principle of 'devolution by default'. The Chancellor's Budget confirmed that the Mayor will be given significant new powers, freedoms and flexibilities. The white paper laying out the government's devolution delivery plan is expected to be published at the end of the calendar year. Its full implications for the GLA may not become clear until the Spending Review. The final budget will reflect what is known – whether for 2027-28 or future years – at the point of publication.

Resources available in this draft budget

1.7. In the Mayor's Budget Guidance, issued in June the GLA was allocated £1.7 million more for 2027-28, in business rates and council tax income, than was planned for when adopting the 2026-27 budget. Additionally, higher-than-expected interest receipts and cash balances, compared to previous forecasts, have meant that an additional £13.1 million of interest income is available for 2027-28.

1.8. It is too early to make a secure estimate of the GLA: Mayor's total revenue resources to be deployed in 2027-28. However, the current assumptions are that they will total £1.0 billion in revenue; and

approximately £1.9 billion in capital resources. Overwhelmingly this is grant funding provided by the government for specific purposes. These assumptions will need to be revisited for the final budget; but are set out in section 3, alongside assumptions about the use of uncommitted reserves.

Approach to the development of this draft budget

1.9. The Mayor's overall priority for the GLA's budget, and that of the wider GLA Group, is to ensure that London invests as much as possible on the things that matter most to Londoners; and on helping to tackle the biggest challenges facing our city. This includes funding for the police; crime-prevention programmes; affordable and social housing; and support for Londoners struggling with the cost of living. This publication only covers the GLA budget. The budget for the whole GLA Group – covering key priorities such as safety (including police and fire), transport and the work of the development corporations – will be published later in the process, as set out in statute.

1.10. As London's strategic regional authority, the GLA works with partners to drive progress collectively towards the outcomes that matter most to Londoners. To achieve this, the GLA prioritises its resources across a portfolio of 14 strategic programmes – each contributing to the Mayor's aim to create a London that is fairer, safer, greener and more prosperous for everyone.

1.11. This budget lays out expenditure of £886.7 million across the delivery portfolio, representing an increase of £43.2 million compared to 2026-27. The changes to each programme's expenditure are laid out in section 4, but the biggest factor in the increase is new external funding allocated to the programme for Accommodation and wider support for those who need it most. £30.7 million of new funding has been received from the government to help end rough sleeping and for safe accommodation for Londoners escaping domestic abuse.

1.12. This draft GLA budget is balanced. While the 2026-27 budget required a programme of £15.5 million savings and efficiencies to balance it, the £11.1 million budget gap for 2027-28 (set out in the 2026-27 budget) has been met. This has been achieved through the ongoing hard work to deliver the savings and efficiencies programme, alongside higher levels of interest income than previously anticipated, and a set of further actions to free resources for some new investments. If it does not prove possible to maintain this balanced position in the final 2027-28 budget, any savings needed to do so will be set out there.

1.13. The significant work over recent months to embed the Mayor's delivery portfolio and focus resources on the Mayor's priorities, has contributed to this strong foundation for 2027-28. This draft budget details new investments totalling £3.5 million into:

- our strategic licensing team
- the Urban 20 2027 summit
- our preparations for the Mayor gaining the power to introduce an overnight visitor levy (OVL) in London.

The funding to prepare for the powers relating to an overnight visitor levy will come from reserves, in advance of a consultation and any subsequent decision about whether to introduce a levy. In the event the Mayor proceeds with introducing a levy, these costs can be refunded by income being generated in future years.

1.14. This draft budget also meets a set of unavoidable cost pressures totalling £10.0 million related to:

- contractual inflationary rises
- a correction to recharges to GLA Land and Property Ltd (GLAP)
- estimated increases to costs of shared services

- ensuring that our Minimum Revenue Provision (MRP) remains sufficient to cover the likely interest and loan repayments linked to our major developments of the London Museum and the Crystal Palace National Sports Centre.

1.15. This draft budget also funds £1.6 million of small investments into core functions such as HR, IT, information governance and performance management. These investments will ensure these functions are of the scale needed to support the bigger organisation that we will become, as the government's devolution plans are implemented. This cost is more than offset by savings in the core budget (see paragraph 1.18).

1.16. Risks related to other inflation and financing costs are held within reserves, given that, at this stage, some potential future cost pressures are not yet sufficiently clear, nor can their value yet be reliably estimated. Additional cost pressures may be included in the final budget to reflect updated risk profiles.

1.17. There are £9.0 million of new savings proposed in this draft budget. These savings, for the most part, would not impact GLA staffing. This £9.0 million is made up of three elements, detailed at paragraphs 1.18 to 1.20, below.

1.18. A proposed saving of £3.3 million would be secured from an increase in the corporate recharge, levied to ensure that the GLA's running costs are appropriately shared by programmes funded externally. It is proposed that the recharge should increase in 2027-28 from its current rate of £9,000 per externally funded FTE (unchanged since 2021-22) to £18,000 per externally funded FTE.

1.19. The cost of core functions would be reduced by £2.1 million:

- £1.8 million would come from:
    - not going ahead with expenditure planned for 2027-28 as a result of a review of inflation requirements
    - a reduction in total forecast pension costs
    - reductions to some elements of corporate contingency budgets which are no longer required
- an additional £0.3 million saving is proposed in the Chief Finance Officer directorate.

1.20. A saving of £3.6 million from the delivery portfolio is included in this draft budget. Most of this relates to projects that are no longer going ahead, following a review of strategic programme delivery plans. We are also taking steps to ensure that some further posts are appropriately funded from external funds, rather than GLA funds. It should be noted that, of these savings, £3.1 million is from the appropriate use of reserves.

1.21. The implications for staffing will be laid out in the final budget. A net 10 FTEs are being created directly from the GLA-funded growth in this budget, as set out in section 2. The significant growth in external income, particularly in the programmes for Accommodation and wider support for those who need it most, and Building more homes, will mean the creation of some further externally-funded posts.

Structure of this report

1.22. This report is structured as follows:

- Section 2: overview of the revenue position, including a summary of newly proposed budget growth and savings to demonstrate how the budget is balanced.
- Section 3: summary of revenue resources (i.e. GLA income from council tax, business rates, external grants and investment income), as well as planned use of GLA reserves.

- Section 4: overview of the delivery portfolio budget, showing changes from 2026-27 to 2027-28. This includes details on newly proposed growth and savings.
- Section 5: overview of the resources allocated across our core functions to support organisational delivery – with detail on budget growth and savings for the 2027-28 year and future financial years.
- Section 6: overview of the capital budget, laying out resources and expenditure plans for the delivery portfolio and core functions.
- Section 7: overview of equalities implications.

1.23. Figures in the tables throughout this document may not sum exactly, due to rounding; and income is shown in brackets.

2. Overview of financial position

2.1. This section summarises the balanced budget position. It also provides detail on the newly proposed growth and savings for this 2027-28 budget, and future years, to demonstrate how the budget has been balanced. Sections 3 (resources), 4 (delivery portfolio) and 5 (core functions) outline the full set of changes (both newly proposed in this budget; and planned changes as set out in last year's budget) from 2026-27 to 2027-28. The 2026-27 budget is as at quarter 2, and includes all budget changes made up to 19 September 2026. Detail of changes to the original 2026-27 budget will be included in the Quarter 2 2026-27 Financial Report.

2.2. We estimate that the GLA's total revenue resources, deployed in 2027-28, will be £1.0 billion. We estimate that around £1.9 billion will be deployed in capital resources. The deployment of these resources at headline level is set out in section 3 (revenue) and section 6 (capital), alongside our assumptions about our planned use of reserves.

2.3. Our strategy has been focused on delivering a sustainable budget, by ensuring that available resources are targeted towards the GLA's strategic role; and are therefore used for maximum impact for London and Londoners. The portfolio of 14 GLA-led strategic programmes provides a clear framework for the prioritisation of resources.

Revenue budget

2.4. Table 1, below, provides a consolidated overview of the revenue budget for 2027-28; and forecasts for 2028-29 and 2029-30. As with any budget, there are potential risks, including the delivery of the ongoing savings and efficiencies programme.

2.5. Here, in a single table, is a clear, integrated view of the GLA's funding and expenditure plans. It is worth noting that the expenditure plans for future years are subject to change as the Government's devolution agenda is implemented. Plans for future years in this document should be read as an expression of the budgeted expenditure on current projects, not as an accurate description of the Mayor's future plans. The remainder of this budget document examines each section of the table in turn.

Table 1 – Overview of the GLA revenue budget

	2026-27 Budget as at Q2 £m	**2027-28 Draft budget £m**	**2028-29 Plan £m**	**2029-30 Plan £m**
Resources				
Business rates income	(233.3)	(206.4)	(208.5)	(210.6)
Council tax income	(70.6)	(71.4)	(72.2)	(73.0)
Group reserves	(49.6)	(1.0)	(1.5)	(1.5)
Collection fund surplus	(33.8)	-	-	-
External funding, including Integrated Settlement	(571.3)	(614.8)	(615.7)	(557.2)
Interest receipts	(79.6)	(85.7)	(75.9)	(75.7)
Interest receipts (from GLAP)	(8.7)	(9.6)	(8.4)	(7.1)
Planned reserves utilisation	57.6	(77.7)	(40.8)	11.0
Equity contribution to London Stadium (funded from business rates income)	23.0	23.5	24.0	24.5
Total resources including reserves	**(966.3)**	**(1,043.1)**	**(999.0)**	**(889.5)**
Expenditure				

Delivery portfolio				
Building more homes	24.8	25.5	31.0	30.1
Making best use of land	5.5	9.5	8.6	4.2
Improving London's housing stock	18.1	14.4	7.0	4.8
Reducing inequalities	12.0	12.0	12.1	12.2
Accommodation and wider support for those who need it most	94.1	127.8	129.1	80.4
Reducing non-residential emissions	6.2	6.3	6.7	6.7
Delivering a greener, more climate-resilient London	11.4	12.7	7.7	7.7
Cleaning London's air	1.6	1.6	1.6	1.6
Supporting Londoners to benefit from growth	434.1	435.9	430.2	430.2
Supporting and inspiring young London	144.0	144.2	125.8	116.5
Boosting London's growth sectors	42.0	41.3	45.9	27.2
Helping local economies to thrive	16.1	15.6	14.0	6.4
Upgrading London's infrastructure	6.4	6.6	6.4	6.3
Supporting community, cultural and sporting events in London	24.6	30.6	30.4	24.6
Transport programmes	2.8	2.8	2.8	2.8
Delivery portfolio sub-total	**843.6**	**886.7**	**859.1**	**761.7**
Core functions				
Core	106.9	134.6	127.1	115.4
Group Collaboration	8.0	8.0	8.0	8.0
Core functions sub-total	**114.9**	**142.6**	**135.1**	**123.4**
Non-departmental				
Minimum Revenue Provision	2.0	3.6	3.6	3.6
Interest payable	5.9	10.2	9.7	8.2
Non-departmental sub-total	**7.9**	**13.8**	**13.3**	**11.8**
Total gross expenditure	**966.3**	**1,043.1**	**1,007.5**	**896.9**
Budget gap	**0.0**	**0.0**	**8.6**	**7.3**
Savings to be identified		0.0	(8.6)	(7.3)
Remaining budget gap		**0.0**	**0.0**	**0.0**

2.6. From 2025-26, the GLA Group Collaboration budget has been included in the GLA budget. Specific proposals for its use in 2027-28 are being developed under the oversight of the Group Collaboration Board.

2.7. From 2026-27, the budget for transport projects allocated to the TfL-led transport-specific programmes has been shown separately. This budget covers the congestion-charge adjudication service and the staffing costs of the GLA's transport team.

2.8. The Minimum Revenue Provision (MRP) budget is a rule that applies to local authorities in the UK, to ensure that sufficient funds are set aside each year to repay the principal of any borrowing. This budget line sits alongside the interest payable due on the GLA's outstanding loans. Both of these budget items relate to a range of activity across the GLA; and are not held against particular programmes or departments. Further detail on these budgets is included in Appendix D.

2.9. Paragraphs 2.10 to 2.15, below, set out, for transparency:

- a summary of the new budget growth items, proposed in this draft budget for 2027-28 and future years – these growth items are categorised as:

- investments into delivery portfolio
- unavoidable cost pressures (e.g. inflation)
- investments into core functions

- a summary of new savings and efficiency proposals, proposed in this draft budget for 2027-28 and future years.

Growth items proposed in this draft budget

2.10. Growth items included in this draft budget are set out in Table 2, below. Further details are in sections 4 and 5. The values in the table below are not cumulative and show the amount budgeted in each year.

Table 2 – Breakdown of budget growth items

Portfolio/core function	Investment	2027-28	2028-29	2029-30
		£m	£m	£m
Investments into delivery portfolio				
Boosting London's growth sectors	Funding for preparing for the Mayor gaining the power to introduce an overnight visitor levy; funded from reserves, in advance of being potentially reimbursed from future income should the Mayor decide to progress.	2.00	-	-
Helping local economies to thrive	Conversion of interim fixed-term posts in the Strategic Licensing team to permanent posts as longer-term staffing requirements become clearer; further work is required to finalise this figure.	1.00	1.00	1.00
Strategy & Communications	Additional funding for the International Relations team, focused on delivery of the Urban 20 2027 summit in London, including one new FTE	0.50	-	-
Total investments into delivery portfolio		**3.50**	**1.00**	**1.00**
Unavoidable cost pressures				
Chief Finance Officer	Inflation on key corporate contracts: Facilities Management, audit, insurance, treasury, technology, reward and Geographic Information System	0.26	0.48	0.71
Corporate Resources & Business Improvement		0.18	0.18	0.18
Strategy & Communications		0.02	0.02	0.02
Chief Finance Officer	A reduction in the level of GLA corporate costs recharged to GLAP following a review of charges	0.20	0.20	0.20
Corporate Resources & Business Improvement		1.86	1.86	1.86
Chief Finance Officer	An additional contribution into the GLA's corporate contingency to cover future increased costs	0.50	0.50	0.50

Chief Finance Officer	Increased cost of Finance shared service, correcting a prior year budget error	0.48	0.53	0.58
Corporate Resources & Business Improvement	Estimated increased costs of HR, IT, Legal and Procurement shared services, to be confirmed in the final budget	1.53	2.16	2.82
MRP (held within non-departmental budgets)	Estimated potential future financing costs linked to the London Museum and the Crystal Palace National Sports Centre	5.00	5.00	5.00
Total unavoidable cost pressures		**10.03**	**10.93**	**11.87**
Investments into core functions				
Strategy & Communications	One FTE to strengthen meeting the GLA's work in response to statutory safeguarding responsibilities	0.08	0.08	0.08
Chief Finance Officer	Funding to make permanent two FTEs in performance management; and for licences and staff capacity for the continued rollout of the GLA's new project-management system	0.60	0.60	0.60
Corporate Resources & Business Improvement	Two FTEs in the IT team to provide extra service/incident cover, and support the GLA's implementation of TfL's ongoing upgrade programme	0.16	0.16	0.08
Corporate Resources & Business Improvement	One FTE; and additional AI tools in the Information Governance team to ensure capacity to meet statutory deadlines	0.13	0.13	0.13
Corporate Resources & Business Improvement	Training and development costs related to the GLA's People Strategy	0.25	0.25	0.25
Corporate Resources & Business Improvement	One fixed-term FTE in Facilities Management to cover higher workload in the run-up to the 2028 GLA elections	0.10		
Corporate Resources & Business Improvement	Fixed-term support in the People Function to cover higher workload in the run-up to the 2028 GLA elections	0.26	-	-
Total investments into core functions		**1.57**	**1.22**	**1.14**
Total growth		**15.10**	**13.15**	**14.01**

2.11. These budget growth items are assigned across portfolio and core functions budgets. Further details on these budgets are shown in section 4 (portfolio) and section 5 (core functions).

Summary of new savings and efficiencies proposed in this budget

2.12. A total £8.97 million savings is set out in this budget, developed by:

- making sure we are working as effectively and efficiently as possible
- reviewing strategic programme delivery plans; and within them, the priority of projects and opportunities to repurpose existing funds
- reviewing our corporate recharge, levied to ensure that the GLA's running costs are appropriately shared by programmes funded externally
- reducing the cost of core functions.

2.13. Our approach seeks to minimise the impact of changes to the delivery portfolio, recognising how important these strategic programmes are to London.

2.14. The delivery of these savings is not expected to result in the deletion of many posts, although staff may be impacted in targeted areas.

Table 3 – Breakdown of new savings and efficiencies proposed in this budget

Portfolio/core function	**Saving**	**2027-28**	**2028-29**	**2028-29**
		£m	**£m**	**£m**
Portfolio				
Building more homes	Six FTEs funded through an externally-funded reserve, rather than GLA funding	**(0.66)**	**(0.66)**	**(0.66)**
Making best use of land	One FTE funded through an externally-funded reserve, rather than GLA funding	**(0.09)**	**(0.09)**	**(0.09)**
Reducing non-residential emissions	Saving from not continuing with a waste-related project promoting circular economy and the waste hierarchy	(0.09)	(0.09)	(0.09)
	Reduction in contribution to London Treasury Limited to support Green Finance Fund-related funds	(0.10)	(0.10)	(0.10)
	Sub-total	**(0.19)**	**(0.19)**	**(0.19)**
Supporting and inspiring young London	It is proposed that a portion of unused New Deal for Young People funding from 2026-27 is used to support expenditure in 2027-28	**(2.39)**	**-**	**-**
Various	A review of planned staffing levels has been carried out.	**(0.28)**	**(0.28)**	**(0.28)**
Portfolio total		**(3.61)**	**(1.22)**	**(1.22)**

Core function				
Chief Finance Officer	Finance system maintenance budget not required, due to scheduled upgrade of current SAP system	(0.15)	(0.15)	(0.15)
	Removal of a vacant Grade 12 role that is no longer required	(0.11)	(0.11)	(0.11)
	CFO share of new income from increase of corporate recharge from £9k to £18k	(0.50)	(0.50)	(0.50)
	Updated calculation of the required employer pension contributions	(0.61)	(0.61)	(0.61)
	Removal of internal project-specific contingency	(0.85)	(0.85)	(0.85)
	Sub-total	**(2.22)**	**(2.22)**	**(2.22)**
Corporate Resources & Business Improvement (CRBI)	CRBI share of new income from increase of corporate recharge from £9k to £18k	(2.80)	(2.80)	(2.80)
	Removal of planned inflation increases to Facilities Management budget following review	(0.34)	(0.34)	(0.34)
	Sub-total	**(3.14)**	**(3.14)**	**(3.14)**
Core functions total		**(5.36)**	**(5.36)**	**(5.36)**
Total new savings		**(8.97)**	**(6.58)**	**(6.58)**

2.15. These savings proposals are assigned across portfolio and core budgets. Further details on these savings is shown in section 4 (for portfolio-related items) and section 5 (for core-related items).

Capital budget

2.16. The Mayor is proposing a significant capital programme of £1.9 billion in 2027-28. The capital programme is dominated by housing spend – the majority of which is for supporting new, affordable homes. A summary of the capital budget is set out below; further details are set out in section 6.

Table 4 – Capital programme summary, 2026-27 to 2030-31

	Budget as at Q2	**Draft budget**	**Plan**	**Plan**	**Plan**
Resources	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**
	£m	**£m**	**£m**	**£m**	**£m**
Government grants	(2,006.1)	(1,674.4)	(1,587.0)	(1,817.5)	(1,285.0)
Recycled Capital Grant Fund	(67.7)	(49.3)	(29.2)	(26.6)	-
Capital receipts	(138.4)	(42.2)	-	-	-
Borrowing	(82.4)	(93.6)	(73.4)	(42.7)	(23.1)
Revenue contributions	(13.2)	(5.2)	(3.1)	(1.1)	(0.1)
MDC reserve	(23.0)	(23.5)	(24.0)	(24.5)	(43.4)
Borrowing (Green Finance Fund)	(57.7)	(57.1)	(77.6)	(143.5)	-
Capital funding reserves (LLDC\GLA)	(24.4)	-	(5.7)	-	(5.4)
Total resource	**(2,412.8)**	**(1,945.3)**	**(1,800.0)**	**(2,055.9)**	**(1,357.0)**

Expenditure					
Building more homes	1,778.7	1,534.0	1,486.0	1,778.5	1,285.0
Making best use of land	0.4	3.0	2.5	-	-
Improving London's housing stock	222.7	130.6	71.2	50.0	-
Accommodation and wider support for those who need it most	-	41.2	47.1	-	-
Reducing non-residential emissions	38.0	17.7	32.2	140.5	-
Cleaning London's air	0.6	0.1	-	-	-
Supporting Londoners to benefit from growth	28.6	15.9	11.5	15.2	-
Boosting London's growth sectors	27.1	36.2	49.1	17.8	19.1
Helping local economies to thrive	15.1	8.8	0.4	-	-
Upgrading London's infrastructure	0.2	0.2	0.1	-	-
Supporting community, cultural and sporting events in London	14.1	5.1	0.1	0.1	0.1
Total portfolio expenditure	**2,125.5**	**1,792.9**	**1,700.1**	**2,002.0**	**1,304.2**
Core	287.3	152.4	100.0	53.9	52.8
Total expenditure	**2,412.8**	**1,945.3**	**1,800.0**	**2,055.9**	**1,357.0**

3. Resources

3.1. The GLA: Mayor's revenue budget is backed by several funding sources. Ringfenced external grant funding from central government departments makes a significant contribution. The annual budget is also supplemented by one-off funding, drawn from the GLA's reserves.

3.2. Table 5 shows the budget forecasts for 2027-28 and future years, alongside the 2026-27 budget as at quarter 2 for comparison purposes.

Table 5 – Resources

	2026-27	2027-28	2028-29	2029-30
	Budget as at Q2	Draft budget	Plan	Plan
	£m	£m	£m	£m
Resources				
Funded by				
Business rates income	(233.3)	(206.4)	(208.5)	(210.6)
Council tax income	(70.6)	(71.4)	(72.2)	(73.0)
Group reserves	(49.6)	(1.0)	(1.5)	(1.5)
Collection fund surplus	(33.8)	-		
Equity contribution to London Stadium	23.0	23.5	24.0	24.5
Total Group funding	**(364.3)**	**(255.3)**	**(258.2)**	**(260.6)**
External funding, including Integrated Settlement	(571.3)	(614.8)	(615.7)	(557.2)
Reserve utilisation / contributions to reserves				
Planned reserves utilisation	57.6	(77.7)	(40.8)	11.0
Treasury income				
Interest receipts	(79.6)	(85.7)	(75.9)	(75.7)
Interest receipts GLAP	(8.7)	(9.6)	(8.4)	(7.1)
Sub-total	**(602.0)**	**(787.8)**	**(740.8)**	**(628.9)**
Total resources	**(966.3)**	**(1,043.1)**	**(999.0)**	**(889.5)**

Funding changes in business rates, council tax and Group reserves

3.3. The current allocations show a reduction of £109.0 million in the GLA Mayor's allocation from the Mayor's council tax and business rates income, as well as from GLA Group reserves – from £364.3 million in 2026-27 to £255.3 million in 2027-28. These allocations are provided in the Mayor's GLA Group budget guidance, published on 30 June 2026.

3.4. The overall reduction of £109.0 million in business rates, council tax and Group reserves is due to:

- A £26.9 million reduction in business rates income – there is a reduction of £49.3 million relating to the one-off investments provided by the Mayor in the final GLA Group budget for 2026-27. This reduction is offset by:
    - an increase of £8 million in allocated business rates income for the Group Collaboration Board, which was previously funded from GLA Group reserves (see below)

- an increase of £13 million in allocated business rates income for the London Stadium, which was previously funded from GLA Group reserves (see below).
- In addition, there is a £1.4 million increase due to other items, mainly as a result of additional business rates provided for the London Stadium.

- A £48.6 million reduction from GLA Group reserves – this reduction is due to four factors:
  - Firstly, a £25.7 million reduction in the allocation for one-off investments that was provided in 2026-27.
  - Secondly, a reclassification of Group Collaboration funding of £8 million and London Stadium of £11 million – which were previously forecast to be funded from GLA Group reserves, but are now funded from business rates.
  - Thirdly, a decrease of £5.4 million in the allocation required for the full delivery of the Universal Free School Meals (UFSM) programme.
  - Finally, there is an additional allocation of £1.5 million for the Victoria & Albert Museum's East sites at the Queen Elizabeth Olympic Park.
- It should be noted that this budget includes (funded from business rates) the full cost for the continued provision of the UFSM programme to all eligible children in London's primary schools for 2027-28, and future financial years. However, the cost of this programme has reduced as there are fewer children to fund UFSM for than previously prudently assumed.
- A £33.8 million reduction in funding from the collection fund surplus. This is entirely due to the funding provided by the Mayor in the final GLA Group budget for one-off investments in 2026-27.
- A £0.5m reduction in total Group funding due to an increased equity contribution to the London Stadium for the 2027-28 financial year.
- This is offset by a £0.8 million increase in council tax income compared to 2026-27.

External funding

3.5. The level of external funding has increased by £43.5 million. The key movements are:

- additional funding of £28.1 million from the Ministry of Housing, Communities & Local Government (MHCLG) – provision of:
  - £18.8 million to help end rough sleeping
  - £9.3 million for the Affordable Homes Programme (AHP)
- additional funding of £8.1 million for Domestic Abuse Safe Accommodation (DASA) programme, bringing the total allocation to £34.9 million
- £3.5 million of MHCLG funding within Good Growth
- £3.1 million of additional integrated settlement funding forecast for 2027-28, which was not yet confirmed at the point that the 2026-27 budget was set; this includes:
  - a £3.1 million increase in Supported Housing Services funding
  - a £0.5 million increase in Homelessness and Rough Sleeping funding
  - a £0.4 million reduction in funding for the National Housing Delivery Fund.

3.6. There are a few other small movements in external funding. Full details of all forecast external funding are included in Appendix F.

Planned use of reserves

3.7. This is set out in Table 6.

Table 6 – Planned use of reserves, 2027-28 to 2029-30

Net movement on reserves	**2026-27 Budget as at Q2**	**2027-28 Draft budget**	**2028-29 Plan**	**2029-30 Plan**
	£m	**£m**	**£m**	**£m**
GLA elections	9.2	(16.9)	(4.3)	9.5
Climate change reserve	(2.4)	(2.4)	(1.7)	(1.7)
Universal Free School Meals	(14.6)	(3.4)	0.1	-
Revenue grants unapplied	(8.6)	(9.1)	(2.2)	-
Right to Buy and Recycled Capital Grant Fund interest receipts	(4.4)	2.4	2.4	2.4
Major Events	18.1	(10.4)	(13.5)	-
Directorate reprofiling	64.4	(39.6)	(22.1)	(0.3)
Other movements	(4.1)	1.8	0.6	1.1
Net movement on reserves to support revenue budgets	**57.6**	**(77.7)**	**(40.8)**	**11.0**
Net movement in reserves to support capital budgets	(11.2)	(5.2)	(3.1)	(1.1)
Total movement in reserves	**46.4**	**(82.9)**	**(43.9)**	**9.9**

3.8. Reserves are recognised as a one-off funding source that, once used, cannot be used again. Therefore, all endeavours will be made to balance budgets through reductions in expenditure, rather than use of reserves – except where necessary to implement appropriate transitional arrangements, or to cover any one-off or time-limited pressures.

3.9. The 2027-28 budget includes several uses and contributions to reserves. There are a range of reasons for this, including the following:

- £9.5 million contribution to the elections reserve, as an annual contribution to help spread the cost of the GLA elections held every four years. £26.4 million of the reserve is currently planned to be drawn down in 2027-28, resulting in a net use of reserves of £16.9 million.

- £2.4 million from the climate change reserve for the administrative costs of managing the warmer homes integrated settlement capital grant and for green infrastructure initiatives.

- £3.4 million from the Universal Free School Meals reserve – although this is primarily due to timing differences between funding being allocated in financial years (April to March), but spent across school years (September to July).

- £9.0 million from the revenue grants unapplied reserve to cover a range of one-off and time-limited items. These include:

- £3.0 million to prepare for the Mayor gaining the powers to introduce an overnight visitor levy, to be reimbursed on the implementation of the levy from the receipts received if the Mayor receives the powers and decides to proceed with introducing a levy following consultation.
- £2.4 million to repurpose the portion of the New Deal for Young People budget from 2026-27 that is no longer required. This will be carried forward into the GLA's reserves; and then released in the 2027-28 financial year (and is included in the newly proposed savings section in section 2).
- £1.1 million for time-limited costs of implementing the new Success Factors HR system.
- £0.9 million for implementation costs for the enterprise resource planning (ERP) replacement project, to upgrade the GLA's existing finance system.
- £0.9 million to top up the General Fund Balance to 3 per cent of the GLA net expenditure budget (further information included in Appendix A).
- £0.7 million for costs associated with the development of the new London Plan – this is a statutory requirement, and important to London's growth and housing delivery.
- £0.5 million to implement the recommendations of the Night Life Taskforce.

The above drawdowns are partially offset by £0.3 million of other contributions.

- An increase in the forecast contribution of £5.3 million to the Right to Buy (RtB) interest receipts (and Recycled Capital Grant Fund (RCGF) receipts). Expenditure within the GLA's housing programmes (previously funded from this reserve) is now paid for through an agreement with MHCLG to provide revenue funding for 2026-27, 2027-28 and 2028-29. The net contribution to the reserve is £2.4 million – as £2.9 million is being drawn from reserves to fund staff costs.
- £10.4 million from the Major Events reserve for events such as EURO 2028 and the Notting Hill Carnival.
- £39.6 million from the Directorate reprofiling reserve to use on Mayoral priorities detailed in the 2026-27 budget. This funding was included in the 2026-27 budget before decisions could be made on the anticipated delivery profile. Where expenditure is not being incurred in 2026-27, it has been reprofiled (i.e. contributed to reserves in the 2026-27 year) to be spent in 2027-28 and future years (i.e. drawn down from the reserve).

3.10. Further details on the use of reserves, as well as the Reserves and Balances policy, are included in Appendix A. The use of reserves to support the Capital Strategy is shown in more detail in section 6.

Interest receipts

3.11. Interest income forecasts are based on:

- the average amount of cash expected to be held in the London Liquidity Fund, managed by London Treasury Limited
- the expected interest return on investment (target return of the Sterling Overnight Index Average interest rate, plus a margin of 40 basis points).

3.12. This has resulted in an additional increase in forecast income of £13.1 million for 2027-28. The forecast for interest receipts and interest payable will continue to be updated in advance of the final GLA budget, to take into account the latest estimates for cash balances and interest rates. At the time of this report, cash balances are forecast to be modestly higher than previous years; interest rates remain elevated due to continued inflationary pressures, and wider geopolitical and economic uncertainty.

Interest receipts from GLA Land & Property Ltd (GLAP)

3.13. This is a forecast of the estimated interest due from GLAP to the GLA. It is based on loans given to GLAP from the GLA for investment in a range of commercial housing developments.

London Stadium

3.14. London Stadium transferred to GLA Holdings Ltd from the LLDC on 31 March 2025, as set out in Mayoral Decision (MD) 3324 and MD3770. The budget contribution of £23.5 million – made as a direct equity injection into London Stadium LLP (the body set up to manage London Stadium) – relates to the operational losses of London Stadium, as it delivers the contracts with West Ham United and UK Athletics; and stadium-maintenance costs. As a contingency against potential future cost pressures, £1.5 million of this funding is proposed to be moved to the Stadium reserve, to be released if needed, for 2027-28, 2028-29 and 2029-30.

3.15. For 2027-28, and future years, this funding comes solely from an allocation of business rates. This funding is provided to the GLA; and then passed through to the London Stadium as an equity transfer. This funding is shown within the GLA's income resources (as a pass through); and is also shown within the Capital Strategy (in section 6). The GLA makes equity contributions into London Stadium LLP as an external arms-length company (and so, technically, is shown as a capital contribution). This is to ensure that contributions are made in a legally compliant and tax-efficient way. This is consistent with the approach previously taken by the LLDC in funding the London Stadium.

4. Delivery portfolio

4.1. There are 14 GLA-led strategic programmes contributing to the Mayor's aim to create a London that is fairer, safer, greener and more prosperous for everyone.

4.2. Delivery plans with clear measurable goals have been agreed for all 14 programmes. These can be accessed at the links embedded in Appendix E.

4.3. Table 7, below, outlines the funding sources for the portfolio by programme. It details gross expenditure, income and net expenditure. It shows that GLA base funding is the main source, supplemented by reserve transfers.

Table 7 – Portfolio budget funding sources for the 2027-28 draft budget

Delivery portfolio	**Expenditure**	**Income***	**Net budget**	**Net budget breakdown**	
				Reserves funding	**GLA base funding**
	£m	**£m**	**£m**	**£m**	**£m**
Building more homes	25.5	(26.7)	(1.1)	3.4	(4.5)
Making best use of land	9.5	(4.8)	4.7	1.0	3.7
Improving London's housing stock	14.4	(9.9)	4.5	1.6	2.9
Reducing inequalities	12.0	-	12.0	0.8	11.2
Accommodation and wider support for those who need it most	127.8	(104.9)	22.8	2.5	20.4
Reducing non-residential emissions	6.3	0.1	6.5	-	6.5
Delivering a greener, more climate-resilient London	12.7	(0.2)	12.5	5.1	7.5
Cleaning London's air	1.6	-	1.6	-	1.6
Supporting Londoners to benefit from growth	435.9	(429.6)	6.3	-	6.3
Supporting and inspiring young London	144.2	(10.0)	134.2	28.1	106.1
Boosting London's growth sectors	41.3	(7.6)	33.7	13.5	20.2
Helping local economies to thrive	15.6	(1.0)	14.6	2.1	12.5
Upgrading London's infrastructure	6.6	(3.9)	2.7	-	2.7
Supporting community, cultural and sporting events in London	30.6	(3.8)	26.8	6.0	20.8
Transport programmes	2.8	(1.6)	1.2	-	1.2
Total	**886.7**	**(603.8)**	**282.9**	**63.9**	**219.1**

**This column shows external income, primarily grants from government departments, as well as other external funding. A detailed breakdown is shown in Appendix F.*

4.4. The delivery portfolio received significant investment in 2026-27, for 2026-27 and 2027-28. The impact of the projects that are supporting Londoners, as a result, is significant. A number of these projects have been reprofiled to reflect current spending plans. As stated above, the government's devolution agenda means that plans for future years are likely to change significantly when more details becomes available.

4.5. Table 8, below, shows the draft gross budget position across the delivery portfolio:

Table 8 – Portfolio gross budget, 2027-28 to 2029-30

Programme	Budget as at Q2	Draft budget	Plan	Plan
	2026-27	2027-28	2028-29	2029-30
	Gross	Gross	Gross	Gross
	£m	£m	£m	£m
Building more homes	24.8	25.5	31.0	30.1
Making best use of land	5.5	9.5	8.6	4.2
Improving London's housing stock	18.1	14.4	7.0	4.8
Reducing inequalities	12.0	12.0	12.1	12.2
Accommodation and wider support for those who need it most	94.1	127.8	129.1	80.4
Reducing non-residential emissions	6.2	6.3	6.7	6.7
Delivering a greener, more climate-resilient London	11.4	12.7	7.7	7.7
Cleaning London's air	1.6	1.6	1.6	1.6
Supporting Londoners to benefit from growth	434.1	435.9	430.2	430.2
Supporting and inspiring young London	144.0	144.2	125.8	116.5
Boosting London's growth sectors	42.0	41.3	45.9	27.2
Helping local economies to thrive	16.1	15.6	14.0	6.4
Upgrading London's infrastructure	6.4	6.6	6.4	6.3
Supporting community, cultural and sporting events in London	24.6	30.6	30.4	24.6
Transport programmes	2.8	2.8	2.8	-
Total portfolio budget	**843.6**	**886.7**	**859.1**	**758.9**

4.6. This table shows the resources currently allocated to deliver each programme in 2027-28; and over 2028-29 to 2029-30. This includes the addition of new investment; and the planned delivery of savings and efficiencies. Some changes to allocations reflect decisions taken, during the review of delivery plans, to move specific projects between programmes – as set out in the relevant MD, as and when changes are made (with the most recent changes captured in MD3496, published in July 2026). Future years' budgets are subject to the annual budget-setting process.

4.7. From 2026-27, the budget for transport projects allocated to the TfL-led transport-specific programmes has been shown separately. This budget covers the congestion-charge adjudication service; and the staffing costs of the GLA's transport team.

Summary of changes in delivery portfolio

4.8. This section describes the key budget movements between 2026-27 and 2027-28 for each programme.

<u>Building more homes</u>

Gross expenditure budget of £24.8 million in 2026-27

Gross expenditure budget of £25.5 million in 2027-28

4.9. The main changes from 2026-27 are a budgeted contribution into the RCGF reserve of £1.7 million. This is due to the fact that the programme is receiving more external income from MHCLG to cover the administration costs of the Affordable Homes Programmes. Of this funding, £1.7 million is not going to be spent in the 2027-28 year and will be carried forward to be used in future financial years (and this contribution increases the gross expenditure budget).

4.10. There is a saving of £0.66 million within this programme. This is a newly proposed saving that involves funding six FTEs from an externally-funded reserve, rather than GLA income. This helps to reduce the GLA resources required (and therefore helps to balance the budget). This is made possible by the fact that the additional external income, noted above, is covering costs previously funded by the RtB and RCGF reserves; this frees up reserves to cover the costs of these six FTEs.

4.11. As part of this draft budget, a detailed review of underlying staffing levels has been carried out to update the forecasts for next year. The impact on Building more homes is a slight decrease of £0.5 million as a number of externally funded fixed-term posts that are currently due to come to an end during 2027-28.

Making best use of land

Gross expenditure budget of £5.5 million in 2026-27

Gross expenditure budget of £9.5 million in 2027-28

4.12. There is an increase in external funding in 2027-28 of £3.7 million. This includes £1.2 million for ATLAS (a programme to provide additional planning and technical support to accelerate housing delivery across London); and £2.5 million of additional grant to support the London New Homes Accelerator project (aimed at stimulating home building in London). Both of these come from MHCLG.

4.13. As part of this draft budget, a detailed review of underlying staffing levels has been carried out to update the forecasts for next year. The impact on Making best use of land is an increase of £0.3 million, as agreed with budget holders.

4.14. As in the Building more homes programme, there is a saving of £0.09 million for one FTE that is now funded from an externally-funded reserve (RtB and RCGF reserves), rather than from GLA income.

Improving London's housing stock

Gross expenditure budget of £18.1 million in 2026-27

Gross expenditure budget of £14.4 million in 2027-28

4.15. The one-off planned investment to help tenants with damp and mould sensors, totalling £3.0 million in 2026-27, has been reprofiled. Of this £3.0 million, £2.5 million will be spent in 2026-27 and £0.5 million will be spent in 2027-28.

4.16. There is also a decrease of £1.3 million in Local Remediation Acceleration Plan funding, reflecting the agreed funding provided by MHCLG.

Reducing inequalities

Gross expenditure budget of £12.0 million in 2026-27

Gross expenditure budget of £12.0 million in 2027-28

4.17. This budget includes the continued spending on the GLA's work to tackle financial hardship, as agreed as part of the 2026-27 budget.

Accommodation and wider support for those who need it most

Gross expenditure budget of £94.1 million in 2026-27

Gross expenditure budget of £127.8 million in 2027-28

4.18. There is an increase of £30.5 million of additional external funding for 2027-28 in the following areas:

- £18.8 million of new funding from MHCLG's new Rough Sleeping Programme
- £3.1 million of new Integrated Settlement funding for supported housing services
- £8.1 million of new Domestic Abuse Safe Accommodation (DASA) funding
- £0.5 million of additional Homelessness and Rough Sleeping grant funding.

4.19. There is also an additional investment of £2.5 million to tackle rough sleeping, funded by the GLA.

4.20. This budget also reflects a budget adjustment of the £0.9 million to reflect revised delivery profiles in relation to Mayoral rough sleeping interventions.

4.21. As part of this draft budget, a detailed review of underlying staffing levels has been carried out to update the forecasts for next year. The impact on Accommodation and wider support for those who need it most is an increase of £0.8 million; this increase in staff budget is funded from grant funding such as DASA and Homelessness and Rough Sleeping.

Reducing non-residential emissions

Gross expenditure budget of £6.2 million in 2026-27

Gross expenditure budget of £6.3 million in 2027-28

4.22. As part of this draft budget, a detailed review of underlying staffing levels has been carried out to update the forecasts for next year. The impact on Reducing non-residential emissions is an increase of £0.3 million, as agreed with budget holders.

4.23. This is offset by two newly proposed savings, as set out in section 2:

- a reduction of £0.09 million in the previously planned project to promote the circular economy principles and waste hierarchy
- a reduced level of contribution to London Treasury Limited for Green Finance Funds (£0.1 million).

Delivering a greener, more climate-resilient London

Gross expenditure budget of £11.4 million in 2026-27

Gross expenditure budget of £12.7 million in 2027-28

4.24. This budget reflects an increase in the commitments for the Swimmable London project, with spending proposed of £1.2 million in 2026-27, increasing to £3.8 million in 2027-28 (an increase of £2.6 million).

4.25. In addition, several environment projects will be completed in 2026-27 as planned; and £1.3 million funding will not continue as a result. These projects include:

- convening climate action
- clean and healthy waterways where, although GLA budget is ending, work continues with partners

- the Green Roots programme.

Cleaning London's air

Gross expenditure budget of £1.6 million in 2026-27

Gross expenditure budget of £1.6 million in 2027-28

4.26. There are no proposed budget changes between the 2026-27 and 2027-28 budgets.

Supporting Londoners to benefit from growth:

Gross expenditure budget of £434.1 million in 2026-27

Gross expenditure budget of £435.9 million in 2027-28

4.27. There is additional grant funding from the Department for Work & Pensions of £2.4 million for the Connect to Work project.

4.28. This is partly offset by a step up in the planned saving, as approved within the 2026-27 budget approved savings of £0.5 million. This saving – related to a proposed restructure within the Skills and Employment Unit – is due to deliver £0.6 million in 2026-27, rising to £1.1 million in 2027-28.

Supporting and inspiring young London

Gross expenditure budget of £144.0 million in 2026-27

Gross expenditure budget of £144.2 million in 2027-28

4.29. This programme includes significant funding to provide a range of support for young Londoners. This programme (for which a £50 million allocation was set aside in the 2026-27 budget) will spend this funding in the 2026-27, 2027-28 and 2028-29 years on a range of projects. These include Youth Lates (to provide youth centre investment in every London borough), Golden Ticket (to provide access to museums and other cultural sites for children and young people) and the Holiday Hope scheme (providing a range of free activities for children and young people in London during school holidays). There is £12.0 million of funding in 2026-27, rising to £24.5 million of funding in 2027-28 (an increase of £12.5 million).

4.30. There is also a £15.4 million reduction in expenditure on the UFSM programme, due to lower-than-modelled numbers of eligible children. It should be noted that this budget includes the full cost for the continued provision of the UFSM programme to all eligible children in London's primary schools for the 2027-28 financial year and future financial years. However, the cost of this programme has reduced as the number of eligible children has reduced. This is due to fewer eligible children than previously prudently assumed, including because of the government's confirmation of additional funding to cover the costs for children whose families are in receipt of Universal Credit. The GLA will continue to fund meals for all children not funded by the government, through business rates income.

4.31. Finally, other projects are being completed in 2026-27 as planned, so the budget does not continue into 2027-28. These include:

- The Mental Health in Schools Pilot to achieve health and learning outcomes to thrive at every stage of development; and a youth-focussed activity that was approved as part of the 2024-25 budget (a total of £0.7 million)

- and the stand-alone Sport Unites project (£0.8 million) – this work continues within the Go! London project.

Boosting London's growth sectors

Gross expenditure budget of £42.0 million in 2026-27

Gross expenditure budget of £41.3 million in 2027-28

4.32. In 2027-28, there is £10.8 million of additional funding compared to the 2026-27 year. This funding covers:

- £8.8 million to support London's role in helping to host the 2028 European Men's Football Championship, including £5.7 million of external funding from the Department for Culture, Media and Sport and £3.1m from the Major Events Reserve
- a proposed additional investment of £2.0 million into preparations for the Mayor being given powers to introduce an overnight visitor levy, subject to consultation. This funding will come from reserves, as it is a time-limited investment to prepare for the levy's potential introduction prior to the 2028-29 financial year (at which point administration costs can be covered from levy income).

4.33. This funding is offset by a range of other items.

4.34. The 2026-27 budget included a £20 million allocation to establish an AI Innovation fund, with an ongoing allocation for this programme of £4.1 million in 2027-28 (a change in funding between financial years of £15.9 million). This programme will now be delivered across multiple years, with £8.2 million being spent in 2026-27, £6.1 million in 2027-28 and £5.7 million in 2028-29.

4.35. In addition, the 2026-27 budget included an £8.3 million allocation to increase visitors and investment in London, with an ongoing allocation for this programme of £0.8 million in 2027-28 (a change in funding between financial years of £7.5 million).

4.36. Finally, the £2.5m Made Smarter programme funding for London & Partners is not currently due to continue in 2027-28. However, before this budget is finalised, it is expected that external funding for this programme will replace GLA support, subject to final confirmation to be provided by the Department for Business, Innovation, Science and Trade.

Helping local economies to thrive

Gross expenditure budget of £16.1 million in 2026-27

Gross expenditure budget of £15.6 million in 2027-28

4.37. The 2026-27 budget included an allocation of £5.0 million in 2026-27 to support high streets and the hospitality sector. This funding is now due to be spent across multiple years with £3.2 million expected to be spent in 2026-27 and £1.6 million in 2027-28 and £0.2 million in 2028-29.

4.38. This is partly offset by additional new investment proposed in this budget, of £1.0 million in 2027-28, to cover additional costs of the GLA's new strategic licensing service. This became operational in 2026-27.

Upgrading London's infrastructure

Gross expenditure budget of £6.4 million in 2026-27

Gross expenditure budget of £6.6 million in 2027-28

4.39. There is an increase in external funding in 2027-28, including £0.1 million from Ofwat to fund innovation work regarding sustainable drainage systems.

Supporting community, cultural and sporting events in London

Gross expenditure budget of £24.6 million in 2026-27

Gross expenditure budget of £30.6 million in 2027-28

4.40. The Notting Hill Carnival budget will stay at the same level as 2026-27; this means £4.7 million is to be funded from the major events reserve.

4.41. In addition, there are some planned additional costs to run the London Borough of Culture in 2027-28 (£0.6 million) and annual inflationary increases on the GLA's funding for the London Museum (£0.2 million).

4.42. The Victoria & Albert Museum has entered into leases for premises at Here East and Stratford Waterfront, as part of the East Bank project (as approved in MD2320). The GLA agreed to provide a capped level of operational financial support should this be required, for 15 years from 2025-26; for 2027-28 this is £1.5 million.

4.43. These increases are partially offset by a reduction in external funding of £0.8 million related to the emblematic monuments project and a small decrease in the staffing budget of £0.2 million.

Transport programmes

Gross expenditure budget of £2.8 million in 2026-27

Gross expenditure budget of £2.8 million in 2027-28

4.44. There are no proposed budget changes between the 2026-27 and 2027-28 budgets.

5. Core functions

5.1. The cost of our core functions comprises the costs of:

- carrying out our statutory functions
- running an organisation that is fit for purpose – in light of the GLA's overall role and responsibilities, and the Mayor's priorities.

5.2. For this budget, core functions are presented by directorate and business unit. This reflects the way that core functions are organised; and is intended be the simplest way of presenting this for the reader of this document. A detailed description of each directorate and relevant business units is included below.

5.3. We aim to keep core functions costs as low as practicable, to ensure we make the best use of our available resources in delivering priority outcomes for Londoners. However, there are some unavoidable pressures that need to be met. These are described in this section.

5.4. The table below outlines the funding sources for core functions budgets. GLA base funding is the main source, supplemented by reserve transfers. Internal recharges support the budgets of several of the core functions; and external income streams (such as planning income, sports centre fees, grant and rental income) support other budgets.

Table 9 – Core functions budget funding sources

Directorates	**Expenditure**	**Income***	**Net budget**	**Net budget breakdown**	
				Reserves funding	**GLA base funding**
	£m	**£m**	**£m**	**£m**	**£m**
Chief Finance Officer	24.6	(2.0)	22.6	0.9	21.7
Chief Officer	29.1	(0.6)	28.5	26.4	2.2
Corporate Resources and Business Improvement	39.5	(1.5)	38.0	1.1	36.9
Strategy & Communications	23.5	(2.5)	21.0	-	21.0
Mayor's Office	7.1	(0.1)	7.0	-	7.0
Communities & Skills	2.1	-	2.1	-	2.1
Good Growth	4.4	(2.3)	2.2	-	2.2
Housing & Land	4.2	(2.0)	2.2	-	2.2
Group Collaboration	8.0	-	8.0	-	8.0
Total core	**142.6**	**(11.0)**	**131.6**	**28.3**	**103.2**

**This column shows external income, primarily grants from government departments, as well as other external funding. A detailed breakdown is shown in Appendix F.*

5.5. The table below shows the draft net budget position (excluding any external funding ringfenced for specific activities) across the core functions hosted by directorates and business units.

Table 10 – Core budget summary (net), 2026-27 to 2029-30

Directorates	Budget as at Q2	Draft budget	Plan	Plan
	2026-27	2027-28	2028-29	2029-30
	Net	Net	Net	Net
	£m	£m	£m	£m
Chief Finance Officer	**18.0**	**22.6**	**27.7**	**30.1**
Chief Finance Officer	11.8	16.0	20.1	24.2
ERP SAP Replacement	0.9	0.9	1.9	0.0
Financial Services	3.5	3.5	3.8	3.8
Group Finance & Performance	0.8	0.7	0.6	0.6
Strategic Programmes	0.8	1.3	1.1	1.1
Treasury Services	0.2	0.3	0.4	0.4
Chief Officer	**2.4**	**28.5**	**15.9**	**2.4**
Core CMT	0.3	0.4	0.4	0.4
Elections	0.3	26.4	13.8	0.2
Mayoral Boards	0.6	0.6	0.6	0.6
Standards	0.2	0.2	0.2	0.2
Transformation Programme	1.0	1.0	1.0	1.0
Corporate Resources and Business Improvement	**38.4**	**38.0**	**38.4**	**37.9**
Executive Director, CRBI	1.5	1.5	1.5	0.3
Business Improvement	0.1	0.1	0.1	0.1
Digital Experience Unit	5.8	5.9	6.0	6.0
Executive Support	1.4	1.4	1.4	1.4
Facilities Management	15.4	13.8	13.8	13.8
GLA Apprentices	0.8	0.8	0.8	0.8
Information Governance & Assurance	0.4	0.5	0.5	0.5
People Function	3.2	3.2	3.0	3.0
Performance & Collaboration	0.2	0.2	0.2	0.2
Shared Services	9.0	10.0	10.6	11.3
Technology Group	0.7	0.6	0.5	0.5
Strategy & Communications	**20.8**	**21.0**	**21.1**	**21.1**
Executive Director, Strategy & Communications	0.9	1.0	1.0	1.0
City Intelligence	4.4	4.4	4.4	4.4
Events for London	1.3	1.3	1.3	1.3
External Relations	7.1	6.6	6.7	6.7
Fire	0.6	0.6	0.6	0.6
London Resilience	3.4	3.5	4.0	4.0
Strategic Partnerships	3.0	3.5	3.1	3.1
Mayor's Office	**6.9**	**7.0**	**7.0**	**7.0**

Communities & Skills	**2.1**	**2.1**	**2.2**	**2.2**
Performance Co-ordination and Collaboration	2.1	2.1	2.1	2.1
Social and Economic Inclusion	0.1	0.1	0.1	0.1
Good Growth	**2.3**	**2.2**	**2.1**	**2.1**
Executive Director, Good Growth	0.2	0.2	0.2	0.2
Planning & Regeneration	2.1	2.0	1.9	1.9
Housing & Land	**2.2**	**2.2**	**2.2**	**2.2**
Executive Director, Housing & Land	0.1	0.1	0.1	0.1
Investment and Operations	0.2	0.2	0.2	0.2
Land and Development	1.8	1.8	1.8	1.8
Group Collaboration	**8.0**	**8.0**	**8.0**	**8.0**
Total core functions	**101.1**	**131.6***	**124.6**	**112.9**

** The total of £131.6 million in 2027-28 differs from the £142.6 million in Table 2 because this table is net of income and Table 2 is gross, with income shown in the Resources section. Core functions have £11.0 million of income, bringing the net budget to £131.6 million.*

GLA corporate recharges

5.6. As part of this draft budget, a detailed review of the GLA's approach to corporate recharges has been carried out. The GLA recharges a portion of corporate (core) costs to cover the overhead costs of externally funded programmes. This charge is made to ensure the GLA is not subsidising programmes; and is intended to cover a range of appropriate corporate costs, including Finance, HR, Facilities Management and IT support. The GLA currently charges £9,000 per externally funded FTE. This charge was introduced in the 2021-22 financial year, and has not been increased to reflect inflation since. What is more, it was set at a level that covered only a relatively small subset of corporate costs. These corporate recharges have been reviewed against guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) on the range of corporate costs that could be recharged. This guidance has been used to assess an appropriate recharge in the context of the GLA.

5.7. For 2027-28, it is proposed to increase the corporate recharge from £9,000 per externally funded FTE to £18,000 – noting that inflation alone since 2021-22 would account for around a quarter of this increase. The aim has been to strike a balance between recognising the impact on the true support costs on externally funded programmes, and ensuring the GLA is covering its reasonable costs.

5.8. It is proposed that the recharge will now be uprated in line with inflation each year, alongside a continuing review and interpretation of the CIPFA guidance.

5.9. The impact of this proposed increased recharge is that an additional £3.3 million of corporate costs will be recharged to externally funded programmes. These proposed increased recharges will need to be met by the directorates hosting these programmes. The directorates of Chief Finance Officer, and Corporate Resources and Business Improvement, will benefit from the proposed £3.3 million increased recharges.

5.10. It should be noted that these recharges are set against the GLA's external funding, which is forecast to be around £614 million – so they represent around 0.5 per cent of the total. Existing grant funding and/or efficiencies will need to be used to cover these costs.

5.11. A breakdown of the impact is shown in Table 11. It should be noted that additional corporate recharge costs will impact gross expenditure budgets.

Table 11 – Impact of proposed increased corporate recharges

Proposed additional corporate recharge costs	**£m**
Strategic programme/directorate	
Building more homes	1.0
Making best use of land	0.1
Improving London's housing stock	0.5
Reducing inequalities	-
Accommodation and wider support for those who need it most	0.2
Reducing non-residential emissions	-
Delivering a greener, more climate-resilient London	-
Cleaning London's air	-
Supporting Londoners to benefit from growth	0.9
Supporting and inspiring young London	0.0
Boosting London's growth sectors	-
Helping local economies to thrive	-
Upgrading London's infrastructure	0.3
Supporting community, cultural and sporting events in London	0.0
Transport programmes	-
Strategy & Communications	0.1
Total additional costs	**3.1**
Additional corporate recharge income	
Chief Finance Officer	(0.5)
Corporate Resources and Business Improvement	(2.8)
Total income impact*	**(3.3)**

**The current corporate recharge income budgets are lower than the current income received by £0.2 million on account of a previous budget issue. Overall, the recharge budgets will net to nil.*

Summary of changes in core functions

5.12. This section describes the key budget movements between 2026-27 and 2027-28 for each directorate providing core functions. There is a description of each business unit; and the cost pressures and savings applicable.

Chief Finance Officer Directorate: an increase of £4.6 million from 2026-27 to 2027-28

5.13. The CFO directorate provides financial services and treasury management expertise; and supports the Mayor in managing GLA Group finance and performance. The team contracts with TfL for the provision of finance transactional services; and with MOPAC for internal audit. This directorate also includes corporate governance and corporate programme management office functions.

5.14. The directorate is made up of six business units; their key functions, and main budget movements, are described below.

Chief Finance Officer business unit (an increase of £4.2 million from 2026-27 to 2027-28)

5.15. Alongside the costs for the GLA's Chief Finance Officer, this budget includes a range of corporate items. Budget for the pay award is held centrally here; and, once agreed, is distributed out to

programme and core budgets. In addition, there are contingency budgets to mitigate several corporate risks – both a central corporate contingency, and an additional contingency to fund the transitional and ongoing costs of the Job Families implementation (which is expected to be fully drawn down in 2026-27). The budget for internal audit is also held here.

5.16. There is a proposed £4.2 million net increase in this business unit's budget in 2027-28. There are proposed budget increases of £5.7 million to fund:

- the pay award
- additional contributions to the corporate contingency to offset against potential risks
- a reduction in recharge income from GLAP, following a review and resizing of corporate recharges to that company
- inflation on audit contracts.

This is offset by £1.5 million of additional GLA Group income to fund potential additional London Stadium costs and a reduction in the pensions contributions required by the GLA.

ERP SAP replacement business unit (no change from 2026-27 to 2027-28)

Note – this is not an operational business unit but instead used for accounting purposes.

5.17. This team is overseeing the implementation of the new enterprise resource planning (ERP) replacement for the GLA. Alongside TfL, the GLA is upgrading its existing finance system from SAP's ECC module to a new cloud-based SAP system. The costs of this team are funded from reserves (Revenue Grants Unapplied, as per MD3329). There are no growth items proposed for 2027-28.

Financial Services (no change from 2026-27 to 2027-28)

5.18. This is the GLA's core finance team – leading the GLA's budget-setting, budget monitoring and statutory accounts processes, as well as holding general insurance contracts. This unit also includes the shared-services costs for the finance system, payroll, payments and purchasing provided by TfL.

5.19. While the budget shows no change between 2026-27 and 2027-28, there is a range of proposed changes that offset each other. There is additional growth of around £0.5 million for shared services, correcting a prior year's budget issue, as well as small inflationary increases for insurance costs.

5.20. This growth is offset by the proposed removal of a £0.15 million budget for finance system maintenance that is not required going forward due to the ERP upgrade, as well as proposed additional income from corporate recharges.

Group Finance & Performance unit (a decrease of £0.1 million from 2026-27 to 2027-28)

5.21. This unit provides corporate oversight of the GLA Group's finances and performance, as well as leading the GLA Group budget process.

5.22. The budget decrease is due to proposed additional income from corporate recharges.

Strategic programmes (an increase of £0.5 million from 2026-27 to 2027-28)

5.23. This team oversees the programme management office; quarterly and annual GLA performance reporting; management of the GLA's governance framework; and preparation for the Mayor gaining powers to introduce an overnight visitor levy.

5.24. There is proposed growth of:

- £0.3 million to convert fixed-term posts in the programme management office to permanent posts
- £0.3 million for licences and staff capacity for the continued rollout of Asana, the GLA's new project-management system.

These growth items are offset by additional corporate recharges and the removal of a vacant post (£0.1 million) that is no longer required.

Treasury Services (an increase of £0.1 million from 2026-27 to 2027-28)

5.25. This unit covers the GLA's contribution to the operations of London Treasury Limited (LTL), which manages the investment of the GLA's cash balances and daily banking services.

5.26. The small increase in the budget is due to inflation on the LTL contract and a reduction in recharge income from GLAP following a review and re-sizing of corporate recharges to that company.

Chief Officer: an increase of £26.1 million from 2026-27 to 2027-28

5.27. This directorate comprises the following business units.

- Core Corporate Management Team – this unit comprises the GLA's Chief Officer and their support staff.
- Elections – this unit delivers the Mayoral and Assembly elections under the direction of the Chief Officer acting as the Greater London Returning Officer. The £26.1 million increase in spending in 2027-28 is due to work required to deliver the GLA elections in May 2028. This additional funding is provided from the Elections reserve.
- Mayoral boards – this unit is a sub-team of the GLA's Committee Services team and provides secretariat services to a range of Mayoral Boards; formal meetings; and decision-making processes.
- Standards – this unit comprises the Monitoring Officer, who is a statutory officer of the GLA with responsibility for governance; constitutional compliance; member conduct and standards; ethical matters; complaints and investigations relating to members; and oversight of lawful decision-making.
- Transformation programme – this budget is used to support a range of organisational transformation projects.

Corporate Resources and Business Improvement (CRBI): a decrease of £0.3 million from 2026-27 to 2027-28

5.28. This directorate covers a wide range of corporate services, including HR (through the People Function); Digital and IT; Facilities Management; and oversight of the GLA's shared-services contracts with TfL.

5.29. The directorate is made up of six business units. Their key functions, as well as an explanation of the main budget movements, are described below.

Executive Director, CRBI unit (no change from 2026-27 to 2027-28)

5.30. This unit covers the costs for the Executive Director for the CRBI directorate

Business Improvement unit (no change from 2026-27 to 2027-28)

5.31. This unit reviews and redesign business processes to improve efficiency and effectiveness; leads continuous improvement initiatives; and supports change management and the embedding of new ways of working.

Digital Experience unit (£0.1 million increase from 2026-27 to 2027-28)

5.32. This unit supports the GLA's strategic programmes through the London.gov.uk website; Talk London; Data for London; and our grant systems.

5.33. The increase in budget is due to forecast contractual inflation.

Executive Support unit (no change from 2026-27 to 2027-28)

5.34. This unit provides executive assistant support to: senior staff in the Mayor's Office; the Chief Officer; and Executive Directors.

Facilities Management unit (£1.6 million reduction from 2026-27 to 2027-28)

5.35. This unit provides a range of accommodation, security and other services to the GLA; and manages Trafalgar and Parliament Squares. There are budget reductions of £3.7 million:

- One-off costs of £2.9 million were included in the 2026-27 budget to cover the GLA's move to the Palestra office building in early 2027. This funding does not continue into 2027-28.
- An additional £0.8 million of corporate recharge income, which reduces the unit's net budget.

5.36. These reductions are offset by the following increases of £2.1 million:

- Reduction in income from GLAP of £1.0 million, following a review of corporate recharges to GLAP that have been reduced, based on estimated future activities. This will be reviewed for future years' budgets.
- Additional inflation of £0.6 million on a range of contracts, including cleaning and security.
- Additional planned lease costs of £0.4 million for Palestra, compared to the Union Street office lease.
- Newly proposed additional investment of £0.1 million for additional fixed-term capacity in the team, in the run-up to the 2028 GLA elections.

GLA Apprentices unit (no change from 2026-27 to 2027-28)

5.37. This unit covers the costs for all GLA-funded apprentices, now shown separately to the People Function for greater clarity.

Information Governance & Assurance unit (£0.1 million increase from 2026-27 to 2027-28)

5.38. This unit supports the GLA to manage its data securely; and comply with legislation, including Freedom of Information and data protection law.

5.39. The proposed budget increase of £0.1 million is to fund an additional post and investment in AI tools, which will allow the team to meet statutory deadlines in the face of an increased volume of Freedom of Information and Subject Access requests.

People Function unit (no change from 2026-27 to 2027-28)

5.40. This unit provides strategic advice alongside a range of specialist services, including recruitment; casework support; workforce planning advice; and talent-management interventions. The team

contracts with TfL for the provision of payroll, recruitment and MyHR portal services. The People Function's work to introduce Job Families to the GLA is expected to conclude by the end of 2026-27.

5.41. For the 2027-28 budget, £0.7 million of new expenditure is proposed, offset by £0.7 million of additional income from corporate recharges.

5.42. The newly proposed expenditure is:

- £0.25 million for covering training and development costs to help deliver the GLA's People Strategy
- £0.25 million for additional interim staffing capacity to help prepare for the potential work arising from the 2028 GLA elections; and changes to staffing in the Assembly and Mayor's Office teams
- a reduction of £0.2 million in recharge income from GLAP, following a review and resizing of corporate recharges to that company.

Performance & Collaboration unit (no change from 2026-27 to 2027-28)

5.43. This unit develops and monitors dashboards and Key Performance Indicators; produces management information; and supports the GLA's governance arrangements.

Shared Services unit (a £1.0 million increase from 2026-27 to 2027-28)

5.44. This units holds and manages a number of service-level agreements; services provided by the GLA Group include IT, legal, procurement, HR and Facilities Management. It should be noted that the Finance shared-services costs are managed within the CFO directorate and are covered above.

5.45. This unit's budget includes £1.5 million of potential additional costs, based on initial quotes, for the increased cost of the procurement, legal, IT, HR and occupational health services provided by TfL. These potential additional costs will be finalised for the final budget.

5.46. This increase is partly offset by a reduction of £0.7 million in recharge income from GLAP, following a review and resizing of corporate recharges to that company; and partly offset by additional income from corporate recharges of £1.3 million.

Technology Group (a £0.1 million decrease from 2026-27 to 2027-28)

5.47. This unit is responsible for managing the IT shared-services and outsourced contracts; managing broadcast and audio-visual services; cyber management; and assurance and incident management.

5.48. This draft budget proposes to invest £0.2 million in additional staffing to ensure the team has the capacity to provide service/incident cover; and to support GLA staff through IT changes driven by TfL's change programme.

5.49. This is offset by a decrease in the staffing budget due to the ending of fixed-term contracts.

<u>Strategy & Communications (S&C): an increase of £0.2 million from 2026-27 to 2027-28</u>

5.50. This directorate covers a wide range of analytical, policy and statutory support services. The directorate is made up six business units. Their key functions, as well as the main budget movements, are described below.

Executive Director, Strategy & Communications (£0.1 million increase from 2026-27 to 2027-28)

5.51. This unit includes the costs for the Executive Director of Strategy & Communications, the Corporate Strategy team and the Performance and Collaboration team.

5.52. The proposed budget increase of £0.1 million will fund additional staffing to strengthen meeting the GLA's statutory safeguarding responsibilities

City Intelligence unit (no change from 2026-27 to 2027-28)

5.53. This unit provides insight and analysis to the Mayor of London and the GLA Group. Through a wide range of approaches, the CIU supports deep understanding of London's people, economy, place in the world, and future. There is small (£0.02 million) inflationary growth included for the Geographic Information System.

Events for London (no change from 2026-27 to 2027-28)

5.54. This budget relates to the staffing of the core events team; and the running costs of the GLA's statutory events, including People's Question Time; the State of London Debate; and several anniversaries that the GLA marks each year.

External Relations unit (£0.5 million reduction from 2026-27 to 2027-28)

5.55. This unit supports the GLA in communicating the Mayor's vision and strategies to Londoners. The unit is responsible for the GLA's strategic communications; marketing campaigns; creative communications (design and copywriting); digital communications; press office; and internal communications. This budget also holds staff costs for the Events team. This covers the non-statutory elements of this team's work.

5.56. This budget reduction is due to the fact that £0.5 million of planned one-off investment in 2026-27 to increase visitors does not continue into 2027-28.

Fire unit (no change from 2026-27 to 2027-28)

5.57. This unit supports the Deputy Mayor for Planning, Regeneration and the Fire Service to hold London Fire Brigade (LFB) to account. This includes through the scrutiny work of the Deputy Mayor's Fire Board to assure Londoners about LFB's progress on high-profile areas, such as the recommendations of the Grenfell Tower Inquiry.

London Resilience unit (£0.1 million increase from 2026-27 to 2027-28)

5.58. The London Resilience Unit supports the London Resilience Partnership by shaping long-term resilience policy; coordinating with national and regional partners to monitor and respond to incidents; and ensuring the GLA meets its legal duties under the Civil Contingencies Act, including support for the London Resilience Forum.

Strategic Partnerships unit (£0.5 million increase from 2026-27 to 2027-28)

5.59. This unit supports the Mayor's external engagement by managing international city relations; coordinating public affairs with boroughs and government; and handling public correspondence.

5.60. The proposed budget increase of £0.5 million will enhance London's reputation around the world, including delivery of the Urban 20 summit in London in 2027.

Mayor's Office: no change from 2026-27 to 2027-28

5.61. The Mayor's Office directly supports the Mayor and the Mayoral advisers. Other than contractual pay increments, no growth is proposed in this budget.

5.62. For the Communities and Skills, Good Growth and Housing & Land directorates, the majority of their budgets are held within the portfolio budget. However, in each directorate, there is a very small portion of costs that are held in core function budgets. These mainly relate to Executive Director salaries (which cannot be split across a large number of programmes) and other core-specific activities.

5.63. Across these three directorates, there are no additional budget requests or savings proposals within these budgets for 2027-28.

Communities and Skills (core elements): no change from 2026-27 to 2027-28

5.64. The core budgets in Communities and Skills cover the following units:

- Performance Coordination and Collaboration – this unit includes a portion of the Executive Director's costs (noting that some of these costs are covered by the Adult Skills Fund), the Performance & Improvement team, and the Strategic Communications function.
- Social and Economic Inclusion – the budget is for social evidence work that is owned by this directorate, but delivered by the City Intelligence Unit in Strategy and Communications (above).

Good Growth (core elements): a decrease of £0.2 million from 2026-27 to 2027-28

5.65. The core budgets in Good Growth cover the following units:

- Executive Director, Good Growth – covering the costs for the Executive Director of Good Growth.
- Planning and Regeneration – this unit runs the GLA's statutory planning function and supports the Mayor in the use of his planning powers, including his role in planning applications across London. Staff from this function also support the Mayor, and the Deputy Mayor for Planning, Regeneration and the Fire Service, in the conduct of hearings, appeals, judicial reviews and local plan inquiries.

5.66. The small decrease in this budget is due to structural changes between these budgets and other budgets in other directorates, to correct previous inaccuracies.

Housing and Land (core elements): no change from 2026-27 to 2027-28

5.67. The core budgets in Housing and Land cover the following units:

- Executive Director – covering a portion of the costs for the Executive Director of Housing and Land, noting that some of these costs are covered by recharge income (including from GLAP).
- Investment and Operations – this budget is for limited cross-directorate costs where it is not possible to align the budget directly to a programme.
- Land and Development – this unit includes management of the Crystal Palace National Sports Centre (CPNSC), which was inherited from the London Development Agency. The Mayor has committed to renovate and decarbonise the centre. This budget line reflects operating costs and subsidy, in part driven by the centre's historic energy-inefficient design. This budget is net of income received by Greenwich Leisure Limited, which currently runs the CPNSC. The costs of the current redevelopment project are contained in the Capital budget.

Group Collaboration: no change from 2026-27 to 2027-28

5.68. This budget is provided, via the GLA, to the Group Collaboration Board.

6. Capital Strategy and resources

6.1. CIPFA's Prudential Code creates a requirement for all members of the GLA Group to produce a Capital Strategy for 2027-28. The Capital Strategy includes the areas of expenditure for each strategic programme. Beyond the first five financial years, the strategy expresses the Mayor's ambition; but it does not necessarily reflect firm plans to invest, as these will depend on the availability of funding.

Purpose

6.2. The purpose of the Capital Strategy is to provide an overview of the GLA's capital investment plans. It ensures that they are aligned to the Mayor's priorities; and that they deliver the maximum benefit to Londoners. This is supported by a prudent approach to capital financing and treasury management in a long-term context.

Benefit of preparing a Capital Strategy

6.3. The benefit of long-term capital planning is that the GLA is well placed to respond to the opportunities and challenges that lie ahead. The GLA strives to be clear and transparent in what drives the Capital Strategy; how its investing decisions are made; and how it will monitor delivery against the Mayor's long-term objectives.

Approach

6.4. In general, the GLA holds few capital assets of its own. The capital investment decision-making is therefore somewhat different from that of other organisations. In most organisations, there is a plan based on resources available; numerous capital requirements are assessed and prioritised within that available funding envelope. The GLA's approach is essentially reversed. Capital investment is in others' assets, to provide improvement across London. The GLA's ability to invest is constrained by the available funding.

6.5. A substantial portion of the capital programme is dictated by pre-existing commitments – for example, those included in the LLDC's budget, and the costs of constructing the Elizabeth line (formerly Crossrail). In such cases, decisions were made some time ago, with long-reaching implications for continuing spend. The assumptions on such items are refreshed annually, as part of this strategy.

6.6. In addition to those long-standing commitments, other programmes (such as AHP) are funded by external resources. As such, the quantum in each financial year will be determined by the available funding; and the ability for the market, as a whole, to deliver the programme requirements as negotiated with MHCLG.

6.7. Remaining programmes are funded from a combination of grants; reserves; capital receipts; revenue funds; and borrowing. Programmes are appraised for cost efficiency; the most appropriate funding mix is determined in light of available resources, and how the asset is being used.

6.8. The Capital Strategy is reviewed and refreshed annually.

Governance

6.9. The Capital Strategy forms part of the GLA: Mayor annual budget, and is signed by the Mayor under cover of an MD. Each programme is monitored at least quarterly, and the performance against estimate is published as part of the GLA's quarterly monitoring report. There may be cases where slippage is identified, or changes are required in the overall sums. This may be due, for example, to renegotiations with sponsoring government departments. In such cases, this will be reflected in the budget during the financial year; and disclosed in the same monitoring report.

External and internal influences

6.10. The GLA's Capital Strategy is influenced substantially by central government policy in relation to housing delivery. This is the single largest item in the GLA's capital programme, accounting for 87 per cent of annual spend for this draft 2027-28 budget. Each housing programme spans several financial years; and is individually negotiated with government to agree on its objectives and parameters.

6.11. At present, housing programmes are being delivered in an extremely challenging environment. Several factors – such as continued high inflation driven by ongoing geopolitical tensions (including in the Middle East), and additional regulatory requirements – make it more expensive for housing to be delivered within previously agreed parameters.

6.12. The availability of funding will always be a determining factor for any capital spending proposals. Where a proposal does not have an identified source of capital (such as a receipt arising from asset disposal, or a specific government grant), the only other source of funding available would be the GLA's revenue budget. This can be in the form of either:

- setting aside revenue resources to fund capital spending in its entirety
- taking out borrowing, which results in additional interest costs within the GLA's revenue budget.

As revenue resources are stretched, there is a constraint around any additional capital spending.

Links to other policies or strategies

6.13. The capital budget is presented in alignment with the strategic programmes approved by the Mayor, with the majority of funding across the main housing-related programmes:

- Building more homes
- Improving London's housing stock.

Borrowing and repayments relating to GLA Group-wide historical decisions, such as the Elizabeth line, also form a significant part of the overall capital programme. This spending is detailed below.

Risks

6.14. As the capital programme is substantially funded by external capital resources, the risks are largely around delivery, rather than finance. As mentioned above, despite a well-documented housing shortage, the climate for bringing forward new homes is extremely challenging. This may impact the GLA's ability to support the targeted number of homes.

6.15. Beyond this, there are risks of cost increases where projects are delivering physical assets, such as the Crystal Palace National Sports Centre (CPNSC) refurbishment. This is funded from the GLA's own resources and could provide a funding challenge if substantial cost overruns were experienced.

6.16. Mayoral Development Corporations, and the GLA's wholly owned subsidiary companies, form part of this Capital Strategy as they are principally funded through capital investment and equity contributions from the GLA. A key ongoing risk relates to the long-term financial resilience of these housing and regeneration schemes – many of which are supported by financial models extending across several decades. The assumptions underpinning these models remain subject to significant uncertainty – including changes in market conditions, development costs, interest rates, sales values and policy requirements. The GLA continues to monitor these risks through its established governance and risk-management processes

Debt and investment management approach

6.17. The GLA's borrowing strategy balances budgetary certainty with overall value for money. Aside from very short-term cash-flow management, the main purpose of the GLA's borrowing is to finance capital expenditure for which a pre-existing funding source does not exist; and which will be funded over time, consistent with the benefits expected from the expenditure, through annual charges within the revenue budget.

6.18. In light of the GLA's unique statutory position, and its role in delivering major infrastructure, there needs to be some ringfencing of borrowing for specific project accounts (currently, the Elizabeth line and the Northern line extension); and specific on-lending programmes (such as the Green Finance Fund (GFF)). Other than this, borrowings are managed in aggregate with regard to the GLA Mayor's Capital Financing Requirement (CFR), as set out in the annual treasury management strategy statement.

6.19. The GLA's very strong liquidity position means it will normally finance unfunded capital expenditure from existing cash balances in the first instance (internal borrowing). Long-term borrowings from a range of sources are subsequently fixed to match closely the amortisation schedule of the CFR whenever rates are affordable. This secures certainty of costs. A prudent allowance is calculated and reviewed at least annually, to allow for medium-to-long-term use of cash balances in lieu of borrowing. This allows for potential savings, while mitigating the risks associated with over-borrowing.

6.20. The primary control framework for the implementation and management of borrowing is the GLA's treasury management strategy statement. The budget-setting process determines what level of revenue resource can be allocated to borrowing costs. This, in turn, determines the overall and incremental levels of unfunded capital expenditure that can be supported.

Capital Strategy 2027-28 to 2030-31

Capital resources

6.21. Capital resources are drawn from a range of funding sources, the majority of which are external. For 2027–28, the current estimate is that 87 per cent of total planned expenditure is expected to be externally funded through grants from government.

6.22. The Capital Strategy is presented in the tables below, by strategic programme. This strategy includes only those items for which funding has been identified and secured; it does not include aspirational or unfunded activity. Commentary on each strategic programme is provided further below. The year-by-year expenditure profile reflects forecasts provided by the project managers overseeing each delivery area.

6.23. The summary view of the Capital Strategy for the first five years is as follows:

Table 12 – Capital programme summary, 2027-28 to 2030-31

Resources	Budget as at Q2 2026-27 £m	Draft Budget 2027-28 £m	Plan 2028-29 £m	Plan 2029-30 £m	Plan 2030-31 £m
Government grants	(2,006.1)	(1,674.4)	(1,587.0)	(1,817.5)	(1,285.0)
RCGF	(67.7)	(49.3)	(29.2)	(26.6)	-
Capital receipts	(138.4)	(42.2)	-	-	-
Borrowing	(82.4)	(93.6)	(73.4)	(42.7)	(23.1)
Revenue contributions	(13.2)	(5.2)	(3.1)	(1.1)	(0.1)
MDC reserve	(23.0)	(23.5)	(24.0)	(24.5)	(43.4)
Borrowing (GFF)	(57.7)	(57.1)	(77.6)	(143.5)	-
Capital Funding reserves (LLDC\GLA)	(24.4)	-	(5.7)	-	(5.4)
Total resource	**(2,412.8)**	**(1,945.3)**	**(1,800.0)**	**(2,055.9)**	**(1,357.0)**
Expenditure					
Building more homes	1,778.7	1,534.0	1,486.0	1,778.5	1,285.0
Making best use of land	0.4	3.0	2.5	-	-
Improving London's housing stock	222.7	130.6	71.2	50.0	-
Accommodation and wider support for those who need it most	-	41.2	47.1	-	-
Reducing non-residential emissions	38.0	17.7	32.2	140.5	-
Cleaning London's air	0.6	0.1	-	-	-
Supporting Londoners to benefit from growth	28.6	15.9	11.5	15.2	-
Boosting London's growth sectors	27.1	36.2	49.1	17.8	19.1
Helping local economies to thrive	15.1	8.8	0.4	-	-
Upgrading London's infrastructure	0.2	0.2	0.1	-	-
Supporting community, cultural and supporting events in London	14.1	5.1	0.1	0.1	0.1-
Total portfolio expenditure	**2,125.5**	1,792.9	**1,700.1**	**2,002.0**	**1,304.2**
Core	287.3	152.4	100.0	53.9	52.8
Total expenditure	**2,412.8**	**1,945.3**	**1,800.0**	**2,055.9**	**1,357.0**

6.24. The detail for each programme is set out below.

Building more homes

Table 13 – Building more homes 2027-28 to 2030-31

Building more homes	Budget as at Q2 2026-27 £m	Draft budget 2027-28 £m	Plan 2028-29 £m	Plan 2029-30 £m	Plan 2030-31 £m
AHP 2016-23	123.2	56.9	67.0	26.6	23.8
AHP 2021-26	787.5	347.3	268.1	480.4	-
London Social and Affordable Homes programme 2026-36	760.0	990.0	1,050.0	1,170.0	1,230.0
Housing Zones	8.5	-	-	-	-

Marginal Viability Fund – Borough Scheme	4.8	2.5	-	-	-
MHCLG Land Fund	36.8	54.0	16.5	10.3	8.0
City Hall Developer Investment Fund	44.6	80.9	84.4	91.2	23.2
Care and Support programme	4.0	1.0	-	-	-
Community Housing Fund	3.9	1.5	-	-	-
Pocket Living	5.0	-	-	-	-
Beam Park - Network	0.5	-	-	-	-
Total	**1,778.7**	**1,534.0**	**1,486.0**	**1,778.5**	**1,285.0**

6.25. The Mayor has secured up to £11.7 billion of funding from the government to deliver the London Social and Affordable Homes Programme (LSAHP) 2026-36. This funding is expected to support thousands of new social and other affordable housing starts in London up to 2036. This is in line with commitments in the Building more homes delivery plan, approved in MD3378. This funding is reflected in our capital resources, detailed below.

6.26. Increasing the delivery of social and other affordable housing is one of the Mayor's key priorities. There are a number of key programmes that support this. The GLA is managing three simultaneous AHPs that are at different stages:

- The GLA is continuing to fund completions for constructions that commenced by the end of March 2023, within the 2016-23 AHP. Overall, to 31 March 2026, the GLA has spent £4.727 billion of the programme budget; and there are further provisional commitments of £370 million. To note, forecasts will continue to change in response to market conditions. Therefore, the commitments and future forecasts will continue to change accordingly.

- For the AHP 2021-26, the total budget now stands at £4.177 billion, following the inclusion of £177 million additional funding from MHCLG. By the end of March 2026, £2.293 million has been spent, leaving £1.883 billion remaining, with spend beyond March 2027 supporting the completion of projects under the programme.

- The SAHP 2026-36 marks the next phase of long-term investment in affordable housing, structured as a 10-year programme. The total 10-year budget of up to £11.7 billion has been agreed with MHCLG. For planning purposes, the budget has been profiled in line with the initial annual budget profile provided by MHCLG. Detailed profiling of the budget will commence once programme allocations have been confirmed with delivery partners.

6.27. The GLA supports wider housing delivery via investment through the Mayor's Land Fund; the Housing Zones programme; and the Marginal Viability Fund (part of the government's Housing Investment Fund which the GLA administers). In the Royal Docks area, it uses funding collected as part of the local enterprise zone.

6.28. The GLA has recently secured new funding of £324 million, as the initial allocation from the Integrated Settlement to establish a City Hall Developer Investment Fund. The GLA is working with the government on deployment of £1.5 billion of low-interest loans in London; and expects to agree further financial transactions funding with the government in due course. The plan is to use this to unlock and accelerate housing delivery, including on sites that are currently stalled due to market conditions. The GLA will continue to support delivery of homes that meet the needs of a wide range of Londoners across its capital programmes in 2027-28 and future years.

6.29. The Care and Support project provides accommodation for older adults and disabled people. This project is funded on an annual basis; the GLA has not had confirmation of allocations beyond 2027-28.

6.30. The Community Housing Fund provides funds for communities that have taken on the responsibility to build their own homes. This project is not currently forecasting new activity beyond 2027-28.

Making best use of land

Table 14 – Making best use of land 2027-28 to 2030-31

Making best use of land	Budget as at Q2 2026-27 £m	Draft budget 2027-28 £m	Plan 2028-29 £m	Plan 2029-30 £m	Plan 2030-31 £m
Royal Docks Place	0.4	3.0	2.5	-	-

6.31. The North Woolwich Road improvement scheme is a strategic project that is part of the Royal Docks delivery plan. The objective of the project is to improve accessibility and support movement through the Royal Docks and to wider London. The project is being delivered and managed in partnership with the London Borough of Newham.

Improving London's housing stock

Table 15 – Improving London's housing stock 2027-28 to 2030-31

Improving London's housing stock	Budget as at Q2 2026-27 £m	Draft budget 2027-28 £m	Plan 2028-29 £m	Plan 2029-30 £m	Plan 2030-31 £m
Aluminium Composite Material (ACM) cladding remediation	12.3	6.6	-	-	-
Private Sector Cladding	19.5	21.4	1.2	-	-
Building Safety Fund non-ACM	112.8	85.0	70.0	50.0	-
Warm Homes: Local Grant	19.3	17.7	-	-	-
Warm Homes: Social Housing Fund	58.7	-	-	-	-
Total	**222.7**	**130.6**	**71.2**	**50.0**	**-**

6.32. The GLA is administering cladding-remediation funding schemes on behalf of the government for buildings in London over 18 metres tall. Capital funding for these programmes is provided by MHCLG. Since 2018, the GLA has administered funding to remediate over 500 buildings across London, ensuring residents are safe in their homes and able to move on with their lives.

6.33. The GLA is leading a consortium of 31 boroughs to deliver the Warm Homes: Local Grant (WHLG) programme. WHLG is a grant-funded retrofit programme, dedicated to implementing energy-efficiency and low-carbon heating upgrades to low-income households across the owner-occupied and private-rented-sector tenures.

Accommodation and wider support for those who need it most

Table 16 – Accommodation and wider support 2027-28 to 2030-31

Accommodation and wider support for those who need it most	Budget as at Q2 2026-27 £m	Draft budget 2027-28 £m	Plan 2028-29 £m	Plan 2029-30 £m	Plan 2030-31 £m
Rough Sleeping Programme	-	41.2	47.1	-	-

6.34. The GLA housing delivery programme includes specialist and supported housing through the new LSAHP. This is supported by a new £42 million Supported Housing Revenue Funding stream; and through discrete programmes in these areas such as capital elements of the Prime Minister's new Rough Sleeping Programme, which will be deployed for expenditure from 2027-28 onwards.

Reducing non-residential emissions

Table 17 – Reducing non-residential emissions 2027-28 to 2030-31

Reducing non-residential emissions	Budget as at Q2 2026-27 £m	Draft budget 2027-28 £m	Plan 2028-29 £m	Plan 2029-30 £m	Plan 2030-31 £m
GFF programme	37.7	17.7	32.2	140.5	-
Net-zero school resilience	0.3	-	-	-	-
Total	38.0	17.7	32.2	140.5	-

Capital spending under the Reducing non-residential emissions programme reflects planned expenditure for projects approved under the GFF. The Mayor's GFF is a £500 million fund providing low-cost loans to projects that deliver London's net-zero ambitions. The aim of the fund is to decarbonise London by reducing the cost of borrowing for councils, housing associations, the NHS and other key partners.

Cleaning London's air

Table 18 – Cleaning London's air 2027-28 to 2030-31

Cleaning London's air	Budget as at Q2 2026-27 £m	Draft budget 2027-28 £m	Plan 2028-29 £m	Plan 2029-30 £m	Plan 2030-31 £m
Air Quality	0.6	0.1	-	-	-

6.35. Air-quality capital investment funds the Breathe London sensor network and data website – delivering hyperlocal, real-time air quality data that is accessible to all Londoners. The programme provides reliable air-pollution monitoring and data visualisation boards at sensitive locations, including schools, hospitals and Oxford Street.

Supporting Londoners to benefit from growth

Table 19 – Supporting Londoners to benefit from growth 2027-28 to 2030-31

Supporting Londoners to benefit from growth	Budget as at Q2 2026-27 £m	Draft budget 2027-28 £m	Plan 2028-29 £m	Plan 2029-30 £m	Plan 2030-31 £m
Skills for Londoners	15.7	7.2	-	0.3	-
Skills for Londoners Capital Fund (round 2)	3.1	-	-	4.4	-
Adults Skills & Employment: project-based	5.0	4.5	5.9	5.4	-
Adults Skills & Employment: technical excellence	4.8	4.3	5.6	5.1	-
Total	**28.6**	**15.9**	**11.5**	**15.2**	**-**

6.36. Capital investment in further education (FE) facilities will enable providers to deliver high-quality, inclusive training aligned with employer needs – helping Londoners benefit from growth. This investment also enhances access to information that supports informed decisions about training for learners and employers alike. Programmes under this theme include targeted support for construction skills and wider FE and skills provision. The project-based and technical excellence colleges capital funds, set out in the table above, are part of the Integrated Settlement and Construction Skills Package from the government. They are to:

- create suitable facilities equipped to deliver current and future construction skills; and align these facilities with the needs of employers
- undertake construction qualifications in Construction, Planning and the Built Environment where there is insufficient capacity to meet demand
- support the government's target of achieving net zero-carbon emissions.

Boosting London's growth sectors

Table 20 – Boosting London's growth sectors 2027-28 to 2030-31

Boosting London's growth sectors	**Budget as at Q2 2026-27 £m**	**Draft Budget 2027-28 £m**	**Plan 2028-29 £m**	**Plan 2029-30 £m**	**Plan 2030-31 £m**
Oxford Street transformation	27.1	36.2	49.1	17.8	19.1

6.37. Capital funding for the Oxford Street Development Corporation supports the planning, design and delivery of improvements to Oxford Street and the surrounding public realm. The programme is intended to improve the street's accessibility, environment and long-term economic performance, with expenditure expected to increase as the Corporation moves from mobilisation and design into delivery. This funding is provided as a loan to the Oxford Street Development Corporation and is expected to be repaid over time.

Helping local economies to thrive

Table 21 – Helping local economies to thrive 2027-28 to 2030-31

Helping local economies to thrive	**Budget as at Q2 2026-27 £m**	**Draft budget 2027-28 £m**	**Plan 2028-29 £m**	**Plan 2029-30 £m**	**Plan 2030-31 £m**
Creative Enterprise Zones	1.2	1.6	0.4	-	-
Civic Partnership Programme	10.4	6.5	-	-	-
639 High Road Tottenham	1.5	0.7	-	-	-
UK Shared Prosperity Fund Capital	2.0	-	-	-	-
Total	**15.1**	**8.8**	**0.4**	**-**	**-**

6.38. Spending within the programme of Helping local economies to thrive enables delivery of the Mayor's objectives around supporting London's economy. The Creative Enterprise Zones programme seeks to ensure artists and small creative businesses can continue to thrive in London. It does so by supporting the long-term provision of affordable workspace; enabling vital business support and job creation; and delivering skills programmes for local people in the Zones.

6.39. The Civic Partnership Programme is a grant funding project, targeted at areas of need where local authority regeneration objectives align with Mayoral priorities. The objective is to combat long-standing inequalities further intensified by the cost-of-living crisis and the climate emergency. The funds will be used by boroughs and their partners to support the development of place-based regeneration strategies; and the subsequent delivery of up to six infrastructure exemplar projects. This programme was due to end in 2026-27, but completion of existing projects is now expected in 2027-28. The GLA will continue to seek external capital funding for regeneration from the government and other potential partners.

6.40. 639 High Road Tottenham is a community enterprise centre that provides space and support for small businesses, startups, young people and local economic development. It is undergoing a programme of essential capital works to maintain its safe operation and continued service delivery over the long term. The works are due to complete in 2027-28.

Upgrading London's infrastructure

Table 22 – Upgrading London's infrastructure 2027-28 to 2030-31

Upgrading London's infrastructure	Budget as at Q2 2026-27 £m	Draft budget 2027-28 £m	Plan 2028-29 £m	Plan 2029-30 £m	Plan 2030-31 £m
Data for London	0.2	0.2	0.1	-	-

6.41. The Data for London programme aims to make it simpler for Londoners to share and use data for the benefit of the city. The programme will be considered a success when:

- the Data for London Library and future phases of the platform are released, operational and trusted, with relevant datasets in the registry
- the Library is regularly used by data analysts and innovators across London.

The Data for London Library has been released, and expanded to more than 20,000 datasets; and a first functional prototype of the next phase of the platform has been built – an identity and access management system. The aim is to continue to expand platform functionality, to enable the sharing of more types of data for London.

Supporting community, cultural and sporting events in London

Table 23 – Supporting community, cultural and sporting events in London, 2027-28 to 2030-31

Supporting community, cultural and supporting events in London	Budget as at Q2 2026-27 £m	Draft budget 2027-28 £m	Plan 2028-29 £m	Plan 2029-30 £m	Plan 2030-31 £m
London Museum	14.0	5.0	-	-	-
Fourth Plinth	0.1	0.1	0.1	0.1	0.1
Total	**14.1**	**5.1**	**0.1**	**0.1**	**0.1**

6.42. Spending within the programme of Supporting community, cultural and sporting events in London includes the provision of additional Mayoral capital funding to deliver the new London Museum in Smithfield, as part of the GLA's statutory obligations as the co-funder of the Museum, alongside the City of London Corporation.

6.43. Spending under this programme also includes the Fourth Plinth capital scheme. This rolling series of temporary exhibits on the fourth plinth at Trafalgar Square is expected to continue.

Core capital programme

6.44. The tables below include several programmes that have historically been funded through the core section of the GLA's budget. These programmes are split into two categories: funding provided to MDCs; and projects delivered within the GLA itself.

Table 24 – Core MDCs 2027-28 to 2030-31

Core MDCs	Budget as at Q2 2026-27 £m	Draft Budget 2027-28 £m	Plan 2028-29 £m	Plan 2029-30 £m	Plan 2030-31 £m
LLDC Capital Projects	-	10.8	-	-	-
LLDC Capital Projects (CFR)	24.4	-	5.7	-	5.4
LLDC-GLAP Stratford JV	2.9	10.6	16.9	12.9	4.0
OPDC Programme (loan)	38.0	23.3	0.5	0.2	-
Total	65.3	44.7	23.0	13.0	9.4

6.45. Capital funding for the London Legacy Development Corporation supports the remaining close-out activity for East Bank and the continued regeneration of Queen Elizabeth Olympic Park. The programme includes investment in housing development, associated infrastructure and public realm, lifecycle works across the Park estate, and other activity required to support new homes, employment and the long-term stewardship of the Park and surrounding neighbourhoods.

6.46. Capital investment in the LLDC-GLAP Stratford JV supports the delivery of housing e.g. Stratford Waterfront and Bridgewater Triangle. Expenditure includes infrastructure and section 106 works, planning and design costs, and equity contributions to the residential development joint ventures.

6.47. The Old Oak Common and Park Royal Development Corporation (OPDC) is engaged in buying private land to ensure full control of the Old Oak West site. There are a fixed number of properties that need purchasing; OPDC has purchased more private land than expected in 2026-27, leaving fewer properties to purchase in 2027-28. Following completion of the land-acquisition programme, OPDC will undertake the necessary enabling works via a partnership with a private-sector developer to deliver the wider regeneration scheme.

Table 25 – Core capital programme 2027-28 to 2030-31

Core	Budget as at Q2 2026-27 £m	Draft Budget 2027-28 £m	Plan 2028-29 £m	Plan 2029-30 £m	Plan 2030-31 £m
London Stadium capital	23.0	28.2	28.4	36.4	43.4
Elephant & Castle	2.0	1.0	0.5	0.5	-
City Hall infrastructure	0.8	0.5	0.4	0.5	-
Trafalgar and Parliament Squares	2.5	1.1	0.4	0.5	-
ICT infrastructure	-	0.7	0.7	-	-
PC laptop replacement	0.7	0.9	0.9	-	-
Printer	0.3	0.1	0.1	-	-
Palestra refit	5.4	0.1	-	-	-
Crystal Palace National Sports Centre	33.0	75.1	45.5	3.0	-
Equity investment (Silvertown Quays)	110.0				
Equity investment (GLAP via GLA Holdings)	44.3				
Total	**222.0**	**107.7**	**76.9**	**40.9**	**43.4**

6.48. GLA funding supports London Stadium's continued operation as a major sporting and events venue – including its operational requirements and investment in the maintenance, lifecycle replacement and improvement of Stadium assets. Funding is provided to London Stadium LLP through equity contributions. London Stadium will use capital funding to cover expected capital works for the stadium, as well as meeting unavoidable operating losses.

6.49. Elephant and Castle capital expenditure funds the redevelopment of this area, focusing on the northern roundabout. The project is delivered in partnership between TfL and the London Borough of Southwark and the GLA's contribution is funded using local developer contributions paid to us by the council.

6.50. The table above shows expected capital spend by the CRBI directorate on the GLA's own assets. This includes:

- ICT investment and replacement
- core accommodation capital costs
- capital spend to maintain Trafalgar and Parliament Squares.

6.51. The major refurbishment of the Crystal Palace National Sports Centre is being managed by the GLA's Housing and Land directorate. This capital funding (which incorporates financing provided to the project by the Mayor's GFF), will support the comprehensive refurbishment of the Grade II* listed building, including a decarbonised energy solution.

Capital Strategy 2031-32 to 2045-46

6.52. The Capital Strategy up to 2045-46 sets out aspirations and plans to implement the Mayor's policies over the longer term.

6.53. The forward view of the Capital Strategy is detailed below. As this expresses an aspiration (related particularly to meeting housing need in London), funding sources are not identified against all items; and the figures do not necessarily reflect the total expenditure required to meet the Mayor's aspirations. This is because much of the work to do so may be carried out by others, and therefore would not be reflected in the GLA's budget.

Table 26 – Capital spending plans 2032 to 2046

Capital spending plan **Long-term aspirations**	**Plan** **2032-36** **£m**	**Plan** **2037-41** **£m**	**Plan** **2042-46** **£m**
Building more homes	27,050.3	20,500.0	20,500.0
Reducing non-residential emissions	178.0	178.0	178.0
Supporting Londoners to benefit from growth	140.0	150.0	160.0
Helping local economies to thrive	52.0	52.0	52.0
Supporting community, cultural and sporting events in London	0.4	0.4	0.4
Core	84.1	12.7	13.1
Core (MDCs)	11.5	16.1	-
Total	**27,516.4**	**20,909.2**	**20,903.5**

6.54. Modelling shows that around £4 billion of investment in affordable housing would be required annually to deliver 32,500 new affordable homes each year (£20 billion for each five-year period). It is hoped that levels of required subsidy – currently at a historic high – fall to lower levels over the medium to long term. Nonetheless, much higher levels of funding will likely be needed before the GLA can fully support levels of new affordable housing that are sufficient to meet London's needs.

6.55. The forward view of the GLA's future capital budgets includes the Mayor's aspirations for ongoing capital investment in support of economic growth. This could include:

- support for digital and data connectivity

- continued investment in London's cultural and creative industries, including (but not limited to) its network of Creative Enterprise Zones
- investment in regeneration projects across the capital that:
    - provide new workspace
    - support London's high streets and town centres
    - create valuable social infrastructure
    - provide benefits for all Londoners (particularly those from disadvantaged and underrepresented communities).

6.56. These aspirations are also currently unfunded, although the GLA will continue to seek external, including government, funding for its regeneration programmes, and particularly in relation to climate mitigation and adaptation. However, ongoing capital investment in housing, transport and skills will also be critical to growth and productivity in London. The programme budget for supporting community, cultural and sporting events in London assumes capital funding for the Fourth Plinth programme will continue into future years.

6.57. The Mayor's ambition to improve London's environment includes ongoing investment needed to:

- increase London's resilience to the unavoidable impacts of climate change
- reduce environmental pollution
- enhance blue and green infrastructure in the capital
- continue to reduce residual emissions beyond 2030.

6.58. This may include aspirations for ongoing investment in, for example:

- sustainable drainage and water reuse
- habitat restoration and rewilding
- climate-resilient infrastructure
- waste reduction
- air quality (which also has significant health benefits)
- buildings insulation and retrofit.

6.59. These aspirations are currently unfunded, although we would expect some level of government support to continue. At present, these are all assumed to be under Reducing non-residential emissions.

6.60. Spending under the programme for Supporting Londoners to benefit from growth facilitates the Mayor's strategic objectives to empower Londoners to:

- access education and skills; participate in society
- progress into education and work.

The capital investment in skills is an aspirational sum included to address the capital investment needs in training facilities across London, including across the construction and FE sectors.

6.61. Future capital funding is included as part of the devolution ask of the government, to support improving the ageing estate of the FE sector. This would make the sector habitable for learning and help decarbonise the FE estates. This improvement is estimated to need around £300 million, based on a recent feasibility study. The skills budget includes the expectation of continued government investment in Skills for Londoners.

6.62. The core budget includes:

- the remaining costs of the LLDC capital investment, that are funded from GLA resources
- the ongoing cost of refurbishing the Crystal Palace National Sports Centre
- expected requirements for the investment in Trafalgar and Parliament Squares, and GLA IT provision.

6.63. The core MDCs budget includes capital funding for the LLDC, which supports the remaining close-out activity for East Bank and the continued regeneration of the Queen Elizabeth Olympic Park. The programme includes investment in housing development, associated infrastructure and public realm, lifecycle works across the Park estate, and other activity required to support new homes, employment and the long-term stewardship of the Park and surrounding neighbourhoods.

7. Equalities

7.1. Under section 149 of the Equality Act 2010 (the Equality Act), as a public authority, the GLA must comply with the Public Sector Equality Duty (PSED) when exercising GLA functions. The PSED requires the GLA to have due regard to the need to eliminate unlawful discrimination, harassment and victimisation and any conduct that is prohibited by or under the Equality Act 2010; and advance equality of opportunity, and foster good relations, between people who share a protected characteristic and those who do not.

7.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, sexual orientation, and marriage or civil partnership status (the duty in respect of this last characteristic is limited to the need to eliminate unlawful discrimination). Consideration of the PSED is not a one-off exercise. The duty must be fulfilled before and after decisions are taken, to ensure that equalities impacts are identified, considered, and kept under ongoing review.

7.3. In line with best practice, and the Mayor's 2022 Equalities Objectives (which will be updated again by the end of 2026), this assessment also considers the impacts of budget decisions on groups who face wider forms of structural inequality and social exclusion. This includes people on low incomes or from particular communities who are more likely to face inequality or discrimination. Particular consideration has also been given to the ways in which inequalities can overlap or compound, resulting in differing experiences and outcomes for Londoners who might have multiple protected characteristics. Evidence highlights how socioeconomic inequality impacts on Londoners' wellbeing and hinders some people and communities from participating equitably in London's society. The decisions outlined in this budget have been taken in accordance with these principles of equality, diversity and inclusion and consideration of their potential impacts on different groups.

7.4. Accordingly, this budget allocates resources to enable the GLA to take direct action to reduce inequalities and to work effectively with partners to maximise impact across London. Decisions have been informed by evidence of long-standing structural inequalities and the different experiences of communities across London. This includes health inequalities, the uneven impact of the climate crisis, and the continuing impact of the cost-of-living crisis on individuals, and communities with protected characteristics across London, particularly those facing multiple and intersecting forms of disadvantage. These activities include:

- continuing to ensure that reducing inequalities and advancing equality, diversity and inclusion remain core considerations across all GLA investments and policy decisions. This recognises that major areas of expenditure play a critical role in improving outcomes for Londoners and addressing and reducing inequalities
- allocating resources to support deeper engagement with London's diverse communities to shape GLA work, with an emphasis on communities and groups facing the greatest challenges, inequalities and under-representation in decision-making
- ensuring that the GLA Group Public Health Unit supports work across the GLA to tackle health inequalities and keep people safe from threats to health and its determinants.

7.5. Our focus is to provide resources that deliver long-term, sustainable solutions to the inequalities facing Londoners and to make London a place where everyone is equally respected, valued and empowered to thrive. Evidence continues to show significant inequalities in outcomes and opportunities across the capital, including in relation to health, housing, employment, income, access to services and exposure to environmental harms. These inequalities are often experienced differently by different communities and can be compounded for those facing multiple and intersecting forms of disadvantage.

7.6. The 14 strategic GLA-led programmes set out in this budget reflect the priorities of the Mayor and the GLA and support delivery of the Mayor's Equalities Objectives. Through direct action and work in

partnership with others, the GLA seeks to address these structural inequalities, improve outcomes for Londoners and ensure that equality, diversity and inclusion considerations are embedded across every aspect of the organisation's work.

7.7. The information below summarises the key inequalities and barriers identified through the evidence base and sets out how each programme contributes to addressing them through its specific areas of focus.

7.8. **Building more homes.** This programme will continue to deliver support to overcome barriers to housing delivery across all tenures, delivers 40,000 new council homes by 2028, and 6,000 'rent control' homes for key workers by 2030 and establish a new City Hall developer. New housing supply is fundamental to the prevention of all forms of homelessness. This programme will better meet the need for social and other forms of affordable housing for all Londoners, with specific interventions to support older Londoners; people with disabilities; and LGBTQI+ Londoners, amongst others.

7.9. **Making best use of land.** This programme will continue to ensure land and new development tackles London's housing crisis; and supports economic growth. It will deliver affordable homes needed by Londoners; and new neighbourhoods and public spaces that are accessible and welcoming to all, thus addressing inequality. It tackles underrepresentation of women and minorities in the built environment sector; and the impact that this has on the sector's capabilities to bolster delivery.

7.10. **Improving London's housing stock.** This programme ensures Londoners' homes are safe, decent, and green. The programme will contribute to the Mayor's commitments on the remediation of unsafe cladding in London, improving energy efficiency and reducing energy bills through retrofit, improved licensing an enforcement of the private rented sector, and strengthening renters' rights. Poor-quality, unsafe, and inefficient housing disproportionately affects disadvantaged and marginalised communities, including some Black, Asian and minority ethnic Londoners, Disabled Londoners, older Londoners, and low-income households. The programme delivers well-targeted action to improve London's homes, directly addressing these inequalities.

7.11. **Reducing inequalities.** This programme supports the Mayor's ambition to make London a place where everyone is equally respected, valued and empowered to thrive. The programme strengthens equalities practice across the GLA, helping to ensure that the needs, experiences, and perspectives of Londoners protected characteristics and other groups facing inequality are better reflected in the development and delivery of the GLA's work. It supports the Mayor's commitment to tackling health inequities through a health in all our policies approach; and promotes the integration of equality, diversity and inclusion considerations across policy, programme, and service delivery. Through engagement, evidence and partnership working, the programme seeks to ensure that all Londoners can influence decisions that affect their lives and that the GLA continues to address structural inequalities through its activities.

7.12. **Accommodation and wider support for those who need it most.** This programme supports Londoners who face barriers to accessing safe and appropriate accommodation and who are at increased risk of social exclusion and multiple disadvantage factors – including people sleeping rough, survivors of domestic abuse with accommodation needs and vulnerable migrants, including refugees and people seeking asylum. The programme will continue to work with boroughs and partner organisations to deliver support designed to respond to needs and local circumstances. It aims to improve equitable outcomes for those experiencing the most acute accommodation needs in London, addressing intersectionality and multiple vulnerabilities often associated with housing insecurity.

7.13. **Reducing non-residential emissions.** This programme continues to contribute towards making London a net-zero city focusing on decarbonising commercial and public sector buildings across London, low-carbon energy, supporting the financing of the transition to net-zero, reducing our emissions from waste and demonstrating leadership and good example through the GLA's owns activities. The programme works to ensure that the benefits of the transition to a greener city are shared fairly across London, with particular regard to Londoners and communities facing the greatest economic and environmental inequalities, including those on low incomes. The programme will continue to focus

resources on activities that have the greatest potential to support emissions reduction and enable investment in the transition to net zero, while contributing to equitable outcomes for Londoners.

7.14. **Delivering a greener, more climate-resilient London.** This programme will increase Londoners' access to nature and adapt our city to climate change, ensuring the benefits of a greener and more resilient city are felt equitably across the city. It will tackle the disproportionate impacts of climate change on disadvantaged, and underrepresented groups, such as young Londoners, and ensure green and blue places are accessible to all Londoners.

7.15. **Cleaning London's air.** This programme supports the Mayor's ambition for London to have the best air quality of any major world city, improving and protecting human health and reducing inequalities. Poor air quality disproportionately affects older Londoners, Black and minority ethnic Londoners, and Londoners on lower incomes. The programme therefore targets action towards communities most affected by air pollution, helping to reduce health inequalities and improve outcomes for those at greatest risk.

7.16. **Supporting Londoners to benefit from growth.** This programme will realise the vision of London's Integrated Talent Strategy. This puts employers in the driving seat of London's skills and employment system, to unlock inclusive growth; and ensure everyone accesses fair pay, progression and the services they need to help them stay in good work. The programme promotes fairer, more inclusive recruitment practices and working conditions, supporting the most vulnerable and those who are underrepresented in London's labour market. In this way it brings benefits to older Londoners; women; Black, Asian and minority ethnic Londoners; Deaf and Disabled Londoners; and young people.

7.17. **Supporting and inspiring young London.** This programme will bridge the gap between opportunity and access; and enhance young Londoners ability to access education, training, employment, and wider positive opportunities. This includes meeting the Mayor's commitment to provide 250,000 positive opportunities for young Londoners during this Mayoral term. Young Londoners from lower socio-economic backgrounds and minority ethnicities are more likely to face barriers to employment, skills development, and progression on the job market, recognising the intersecting inequalities that can affect access to opportunity. The programme of work therefore prioritises resources and interventions towards young Londoners facing the greatest disadvantages, helping to improve access to opportunities and ensure that there can be a reduction in the equality gap between some young Londoners and others.

7.18. **Boosting London's growth sectors.** This programme will secure stable, long-term economic growth that works for all communities, helping to create more than 150,000 good jobs by 2028. Diverse-led businesses face challenges in accessing finance and support. Female, LGBTQI+, deaf and disabled, Black, Asian and minority ethnic founders and business leaders tend to be underrepresented in many of the key growth sectors that this programme is focused upon. It will therefore target support to these groups, so it reaches business owners from disadvantaged and under-represented backgrounds.

7.19. **Helping local economies to thrive.** This programme will ensure that Londoners, entrepreneurs, local communities and cultural groups, and small businesses have opportunities to access, and have a positive experience of, the economy in their local area. Support for small and medium-sized enterprises will target business owners from disadvantaged and underrepresented backgrounds, who face additional barriers to economic opportunity. Capital projects will be developed in collaboration with local communities, so they are accessible and welcoming to all Londoners, fostering community cohesion.

7.20. **Upgrading London's infrastructure.** This programme will ensure that London has the energy, water, data infrastructure, and digital connectivity in place to achieve the Mayor's ambitious net-zero, climate resilience, housing delivery, and economic growth goals. Through the programme the GLA provides a leadership role so that the development of planning projects is undertaken collaboratively with

underserved communities. This will secure investment in infrastructure and new services that reflect local community needs and ensure equal access for all.

7.21. **Supporting community, cultural and sporting events in London.** This programme will ensure that community, cultural and sporting events across our city create a London for everyone and reflect and celebrate the diversity of the city. It will ensure that Londoners from all walks of life feel heard and see themselves reflected in the public realm and national and international events. The programme will ensure London's diverse communities have the knowledge, networks, and volunteering opportunities they need to thrive.

7.22. Officers will continue to assess how the budget proposals are expected to impact the groups mentioned at paragraphs 7.2 and 7.3, as these proposals are further developed and refined. Equalities impact assessments (EqIAs) of individual programmes will be carried out as appropriate, building on the evidence base around the equalities impact for Londoners. These EqIAs will be kept under ongoing monitoring and review, to be updated as work develops.

Staffing impact assessment

7.23. The GLA has continued to deliver efficiencies and savings across its budget, including through the completion of the majority of staffing savings programmes initiated in previous years. The staffing establishment has been reviewed as part of the 2027-28 budget process to ensure resources remain aligned to organisational priorities and available funding. Proposed changes include the removal of a limited number of posts that are no longer required, as well as finding alternative funding sources (in some cases from reserves) to cover existing posts in some areas.

7.24. Equality considerations identified in previous EqIAs have informed the development of these proposals. Workforce data has been reviewed to consider where staffing changes could have disproportionate risks on employees who share protected characteristics. This has enabled early assessments of potential equality risks to be identified and informed approaches to support any groups of staff who risk being disproportionately affected.

7.25. Given the limited scale of the staffing changes proposed as part of this budget, no significant disproportionate impacts on particular protected characteristic groups have currently been identified. However, workforce impacts will continue to be monitored as proposals are implemented, recognising that even small-scale organisational changes can affect groups differently.

7.26. The GLA will continue to apply its established policies and processes in managing staffing changes, including ongoing consideration of equality impacts, staff engagement, and support arrangements. Equality monitoring will continue throughout implementation to help identify and address any emerging disproportionate impacts on staff with protected characteristics or other groups who may be affected by organisational change.

Programme and core impact assessment

7.27. In addition, this budget sets out savings related to core and programme spending, details of which are set out in Appendix B. Whilst the overall anticipated impact of these budget changes is minimal, the following should be noted:

- **Building more homes:** the proposal includes that the funding arrangement for a proportion of programme staffing (6 FTEs) has changed, with costs now being met from externally-funded reserves rather than core GLA funding. As this change relates to the funding source rather than the scale or scope of the programme, no material changes to programme delivery or intended outcomes are anticipated. The programme is therefore expected to continue supporting groups that experience disproportionate housing disadvantage, including Disabled Londoners, older

Londoners, low-income households, and LGBTQI+ Londoners, with no additional equality impacts identified as a result of this budget change.

- **Making best use of land:** the proposal here relates to an additional FTE, to be funded by reserves rather than core GLA funding (as the proposal described in Building more homes above).

- **Reducing non-residential emissions:** The proposal includes savings associated with the discontinuation of a waste-related project promoting the circular economy and waste hierarchy, which was not planned for delivery and therefore will not impact existing programmes. The proposal also includes a re-allocation of staff support to Green Finance. These changes represent a redistribution of activity rather than a reduction in the programme's commitment to equitable climate action. The programme will continue to support an inclusive transition to net zero, including for communities experiencing economic and environmental disadvantage, and no significant adverse equality impacts have been identified.

- **Supporting and inspiring young London:** the proposal is to offset budget pressures in 2027-28 with a portion of unused funding allocated for 2026-27 for the New Deal for Young People. This may result in a modest reduction in the scale or reach of some activities compared with previous expectations. As the programme is targeted at young Londoners facing barriers to opportunity, including those from lower socio-economic backgrounds and ethnic minority communities, there is the potential for a limited reduction in direct beneficiary numbers. However, remaining resources will continue to be prioritised towards young people experiencing the greatest disadvantage and the programme is expected to continue making a positive contribution to reducing inequalities in access to opportunities, skills, and employment.

- **Core:** the proposal within the core budget includes delivering £5.36m of savings and efficiencies while maintaining the GLA's ability to deliver its core functions and strategic priorities. The majority of staffing savings programmes have now been completed, with a limited number of further staffing and budget adjustments reflected in the 2027-28 budget. These changes are not expected to have significant direct impact on service delivery or equality outcomes. However, there is a minor risk that budget pressures arising from increased corporate recharges may require some programmes to make adjustments.

7.28. The impact of these spending reductions will be monitored and EqIAs will be conducted for any significant changes that require further consultation.

Summary

7.29. Officers will continue to assess the expected equality impacts of the budget proposals on the groups mentioned at paragraphs 7.2 and 7.3 as they are developed, refined, and implemented. Where appropriate, programme level EqIAs will be carried out, building on the evidence base around the equalities impact for Londoners and supporting decision-making. Officers will continue to monitor the effects of all budget changes throughout the year. This ongoing monitoring will ensure that any potential negative or disproportionate impacts on groups with protected characteristics are identified and considered early and mitigated effectively. This will support the GLA's commitment to ensuring that our programmes continue to advance equality, foster good relations and reduce disproportionate inequalities harm across London.

7.30. The GLA will also continue to monitor the workforce implications of budget decisions and organisational change. The GLA remains committed to building and maintaining a workforce, including at the most senior levels, that is representative of London's working-age population.

8. Appendices

A – Reserves 2027-28 to 2029-30

1. A detailed review of the GLA: Mayor reserves was undertaken as part of the 2026-27 budget cycle, and a number of changes were made. These include the following:

    - An increase in the general fund balance from £10.2 million to £11.2 million. This represents 3 per cent of the GLA net expenditure budget – which, in turn, represents the combination of risk (including other risk reserves already set aside) and CIPFA guidance.

    - The 2026-27 budget created the following new reserves:

        - A specific contractual risk reserve has been set up to provide financial resilience for medium-term potential risks and contractual commitments.

        - An organisational transformation reserve has been set up to support the organisation to deliver the change set out in this the 2026-27 budget, including the previous Development and Redundancy reserves.

        - A Stadium reserve has been set up to manage contingencies and risks arising from the operation of London Stadium.

        - An Integrated Settlement reserve to hold any carry-forwards (i.e. unspent funding) has been set up for future years, and will be ringfenced; only Integrated Settlement-related funding will be included in this reserve. This will help the GLA benefit from the flexibilities allowed under this settlement; and enable the use of funding (and flexibilities) to be clearly tracked.

    - Simplification and transparency – setting out the reserves by themes provides clarity of purpose, and enables a broader overview of the reserves position. This includes streamlining the Estates and Dilapidations reserves into a newly created Asset Management reserve.

2. No additional new reserves are proposed for creation in 2027-28.

3. This policy is based on the latest CIPFA guidance (CIPFA, Bulletin 13 – Local Authority Reserves and Balances, updated 28 March 2023) and section 127 of the GLA Act 1999.

4. Where existing reserves were assessed as fully meeting their commitments, this has enabled balances to be transferred, to align with the reserves policy. As a result of this review, a number of transfers between reserve headings have been made, as set out in this appendix. The key amendments relate to a reassessment of the GFF and the Revenue Grants Unapplied reserve, with balances transferred into the Financial Resilience reserves.

5. The CFO has carried out a review of the potential risks to assess whether existing reserves are at prudent and adequate levels to manage these risks in the medium term.

6. The CFO has concluded that, for the 2027-28 draft budget (and the budget plan for future years), reserves are at an adequate level. This has included a review of potential risks, including potential contractual obligations and potential spending risks (including the risk of debt default across the GLA Group, and the delivery of the savings proposals, and associated costs, set out within the 2027-28 draft budget). This risk assessment will be carried out each year as part of the budget-setting process.

Reserves and balances policy

Executive summary

7. The organisation is prudentially and sustainably financially managed, to support the delivery of the Mayor's priorities to build a fairer, safer, greener and more prosperous city. As part of this approach,

reserves are maintained at a considered and proportionate level to manage risk; support financial robustness and stability; and, therefore, confidently enable targeted investment.

8. Reserves are held for the following defined purposes:

- **Risk and financial resilience reserves** are maintained at a level sufficient to cover known and forecast risks. These are reviewed annually, to ensure the organisation remains resilient while avoiding undue or excessive prudence.
- **Restricted use and ring-fenced reserves** are reserves where funding is held for a restricted purpose, and are not available for GLA: Mayor budget general purposes (for example, specific grants).
- **Smoothing and cyclical reserves** are used to manage cyclical and uneven cost pressures, supporting long-term financial sustainability by avoiding sharp expenditure shocks or unsustainable pressures within any single financial year.
- **Mayoral priorities earmarked reserves** are held to support the delivery of specific Mayoral priorities in a controlled and transparent manner, where one-off or time-limited funding is required and ongoing commitments are avoided.
- **Organisational transformation reserves** are used to fund transformational change and investment on a non-recurrent basis, delivering long-term efficiency, capability and service improvements.
- **Asset management reserves** – these cover the Estates and Dilapidation reserves. The organisation will need to carry out a full asset review to inform future commitments and drawdowns from this reserve.

9. Any use of reserves should be approved the GLA's formal decision-making processes, which incorporate the approval of the CFO. The planned use of reserves is agreed through the annual budget-setting process, as approved by the Mayor. Clear audit trails and ongoing assurance are provided through quarterly budget monitoring. The GLA finance regulations set out the operational rules in relation to reserves.

10. Reserves are recognised as a one-off. All endeavours will be made to balance budgets through reductions in expenditure or securing recurring income, rather than use of reserves – except as necessary, to implement appropriate transitional arrangements. The CFO is responsible for advising the Mayor and the Assembly on prudent levels of reserves for the GLA.

11. This report provides a summary of the purpose of the reserves together with supporting appendices providing detail.

Risk and financial resilience reserves

12. This group of reserves is intended to ensure that the Mayor's budget remains financially resilient over the medium term. The reserves are designed to address future financial risks; and to reflect both the likelihood, and the potential impact, of those risks materialising. These reserves include the legal and contractual risk reserve; the interest income smoothing reserve; and the general risk reserve.

13. In setting these reserves, the GLA seeks to balance the need for financial prudence with proportionality, recognising that excessive levels of reserves can restrict the ability to deploy resources in support of London's priorities.

14. These reserves include provision for contractual and legal risks, where the GLA may face future contractual obligations with varying degrees of probability and uncertainty. In addition, this considers the inherent level of risk in relation to the debt portfolio of the GLA. This also includes an allocation for

risks relating to London Stadium (including the impact should West Ham United not be promoted back to the Premier League), and other commercial risks.

15. They also recognise the income and investment risks inherent in the GLA's financial model. The GLA budget relies on approximately £80 million of interest income each year, and this reserve reflects the risk that income levels may reduce over time, due to changes in market conditions. It also provides cover for fluctuations in the valuation of the GLA's investment portfolio.

16. In addition, the General Balance reserve is maintained at 3 per cent of net revenue expenditure. This is in line with CIPFA guidance on the minimum level of general reserves recommended for public-sector bodies, to provide a baseline level of financial resilience against unforeseen events.

Restricted use and ring-fenced reserves

17. These reserves cannot be applied to the generic GLA: Mayor budget. The use is restricted by grant terms or specific ring-fencing.

18. This includes the Royal Dock Enterprise Zone and RtB receipts; albeit, both these reserves support wider Mayoral priorities. There is also a reserve required as part of arrangements with London & Partners, ring-fenced for potential costs arising from their staff restructures.

Smoothing and cyclical reserves

19. These are reserves that are prudently available to cover cyclical spend, such as elections and development of the London Plan. The smoothing reserves are to cover swings in income levels for planning.

20. Smoothing out the impact of these costs over time supports good financial planning; and avoids significant increases in costs in any single year.

Mayoral priorities earmarked reserves

21. These earmarked reserves are specific reserves set aside to deliver the Mayoral priorities set out in the strategic programme delivery plans. The allocation of these reserves to Mayoral priorities are clearly and transparently set out in our annual budget process.

22. These include, for example, major events and climate change reserves. A full list is set out in below in paragraph 30.

23. These reserves are for specific projects – to cover specified activities that will usually be time-limited, rather than ongoing core expenditure. They are therefore an appropriate use of reserves.

24. This group of reserves also includes unspent grants that are carried forward to deliver Mayoral priorities that are subject to reprofiling, where funding receipt and delivery timings differ – such as the UFSM programme.

Transformation and reorganisation reserves

25. These are one-off investments required to support the transformation of the organisation. They include:

- funding for future organisational improvement and transformation activity
- costs associated with organisational restructures, including potential redundancy costs, where required to implement structural changes for the GLA.

Asset management reserve

26. This reserve supports the management of GLA: Mayor buildings and public spaces that the GLA is responsible for, for example:

- Trafalgar and Parliament Squares
- dilapidations for City Hall
- the Crystal Palace National Sports Centre.

A review of cyclical asset management costs will be commissioned.

Other

27. This includes:

- The collaboration reserve: holds the balances of the £8 million budget that is annually allocated to delivering the benefits of collaborating across the GLA family. This is overseen by the Group Collaboration Board.
- Assembly development and resettlement reserve: holds funding for potential future costs and resettlement grants for the Assembly Secretariat directorate, including as required by legislation.

Reserves balances, 2027-28 – 2029-30

28. The table below shows forecast reserve movements as at quarter two 2026-27; and planned use of reserves for the subsequent financial years. As with other tables in this document, these plans are likely to change in future years due to the government's devolution agenda and the Mayor's ongoing policy programme.

GLA Reserves	Opening balance	Forecast movement	Forecast	Forecast movement	Forecast	Forecast movement	Forecast	Forecast movement	Forecast
	31 March 2026	2026-27	31 March 2027	2027-28	31 March 2028	2028-29	31 March 2029	2029-30	31 March 2030
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Risk and financial resilience reserves									
General fund balance	10,000	(400)	9,600	1,000	10,600	(500)	10,100		10,100
Contractual risk reserve	72,800		72,800		72,800		72,800		72,800
Interest smoothing	77,992		77,992		77,992		77,992		77,992
Stadium reserve	6,984	(1,500)	5,484	1,500	6,984	1,500	8,484	1,500	9,984
Total risk and financial resilience reserves	**167,776**	**(1,900)**	**165,876**	**2,500**	**168,376**	**1,000**	**169,376**	**1,500**	**170,876**
Restricted use & ringfenced reserves									
Capital programme	91,727	(11,200)	80,527	(5,200)	75,327	(3,100)	72,227	(1,100)	71,127
Compulsory purchase orders	1,329		1,329		1,329		1,329		1,329
Directorate reprofiling	13,916	56,023	69,939	(39,599)	30,340	(22,127)	8,213	(300)	7,913
Environment drainage	142		142		142		142		142
Integrated Settlement reserve	0	23,600	23,600		23,600		23,600		23,600
Land Fund	5,311	(789)	4,522	(798)	3,724	(803)	2,921	(803)	2,118
London & Partners	2,245	(500)	1,745		1,745		1,745		1,745
London Green Fund Reserve	530		530		530		530		530
New Homes Bonus LEP grant reserve	730		730		730		730		730
RCGF interest	17,326	(1,232)	16,094	2,373	18,467	2,390	20,857	2,390	23,247
Right to buy	11,448	(3,166)	8,282	0	8,282	0	8,282		8,282
The Royal Docks Enterprise Zone	138	72	210	248	458	398	856	398	1,254
Total restricted use reserves	**144,843**	**62,808**	**207,651**	**(42,976)**	**164,675**	**(23,242)**	**141,433**	**585**	**142,018**
Smoothing and cyclical reserves									
Elections	21,562	9,237	30,799	(16,937)	13,862	(4,282)	9,580	9,500	19,080
Planning smoothing	498		498		498		498		498
Pre-application planning	1,331		1,331		1,331		1,331		1,331
Total smoothing and cyclical reserves	**23,391**	**9,237**	**32,628**	**(16,937)**	**15,691**	**(4,282)**	**11,409**	**9,500**	**20,909**

Mayoral priority earmarked reserves									
Climate change reserve	72,179	(5,439)	66,740	(2,398)	64,342	(1,708)	62,634	(1,708)	60,926
Major Events	27,155	10,945	38,100	(10,372)	27,728	(13,510)	14,218		14,218
New Deal for Young People	6,781	(814)	5,967	0	5,967		5,967		5,967
Revenue grants unapplied reserves	11,062	8,557	19,619	(9,100)	10,519	(2,280)	8,239		8,239
Sport Unites	737	(500)	237	(192)	45		45		45
Universal Free School Meals	40,900	(14,600)	26,300	(3,400)	22,900	100	23,000		23,000
Total Mayoral priority earmarked reserves	**158,814**	**(1,851)**	**156,963**	**(25,462)**	**131,501**	**(17,398)**	**114,103**	**(1,708)**	**112,395**
Reserves to support organisational change and transformation									
Organisational transformation	12,456		12,456		12,456		12,456		12,456
Total organisational change and transformation reserves	**12,456**	**0**	**12,456**	**0**	**12,456**	**0**	**12,456**	**0**	**12,456**
Reserves to support ongoing asset management									
Asset management	6,941		6,941		6,941		6,941		6,941
Total asset management reserves	**6,941**	**0**	**6,941**	**0**	**6,941**	**0**	**6,941**	**0**	**6,941**
Total GLA: Mayor reserves	**514,221**	**68,294**	**582,515**	**(82,875)**	**499,640**	**(43,922)**	**455,718**	**9,877**	**465,595**
Other reserves									
Group Collaboration	(0)	2,403	2,403		2,403		2,403		2,403
Assembly Development	2,634	(356)	2,278	(141)	2,137	(405)	1,732	(75)	1,657
Total other reserves	**2,634**	**2,047**	**4,681**	**(141)**	**4,540**	**(405)**	**4,135**	**(75)**	**4,060**
Total GLA and other reserves	**516,855**	**70,341**	**587,196**	**(83,016)**	**504,180**	**(44,327)**	**459,853**	**9,802**	**469,655**

29. The purpose of each reserve is detailed below (in alphabetical order):

- The **Assembly development and resettlement reserve** exists to ensure adequate funding is built up for future costs and resettlement grants for the Assembly Secretariat directorate.
- The **asset management reserve** relates to potential costs across the buildings and public spaces that the GLA is responsible for, including:
  - funding exceptional repairs and maintenance works across the GLA Estate
  - works undertaken at Parliament and Trafalgar Squares
  - the development of land and property schemes.

  In addition, this reserve exists to fund repairs required at the end of the GLA tenancy lease at the current City Hall.
- The **capital programme reserve** provides a source of funding for those capital projects that fall outside the government grant-funded programmes in housing and regeneration. This reserve holds ringfenced funding for specific capital projects; and, where required, additional revenue contributions or reserve transfers to cover other corporate GLA capital projects.
- The **climate change reserve** provides a source of funding for high-impact green investment opportunities for the public and private sectors; and support for the GLA GFF, financing direct decarbonisation investment by the GLA Group and its strategic partners.
- The **Compulsory Purchase Orders reserve** has been created to provide for estimated future costs related to the settlement of several significant programmes inherited, by a statutory transfer scheme, from the London Development Agency.
- The **contractual risk reserve** reflects potential future legal and contractual risks related to major projects.
- The **directorate reprofiling reserve** represents underspends on directorate budgets carried forward to fund projects that were delayed, and are due to start or be completed within the next financial year.
- The **elections reserve** exists to fund the Mayor and Assembly elections when they fall (they are due every four years). The budget includes a yearly contribution to spread the cost of the elections.
- The **environment drainage reserve** was created to earmark funding received from central government for the preparation of surface-water management plans.
- The **general balance reserve** is the minimum level of reserves set aside for unknown risks to ensure overall financial resilience.
- The **Group collaboration reserve** sets aside funding for the collaborative projects of the GLA and its functional bodies, in areas such as implementation of shared services, and talent retention and development across the GLA Group.
- The **Integrated Settlement reserve** receives any carry-forwards that relate to Integrated Settlement grants (and are ringfenced for that purpose) from the current financial year, to be used in future financial years.
- The **interest smoothing reserve** has been created to manage fluctuations in interest receipts that could result from a range of risks, including a potential reduction in the GLA's cash balance and interest rate changes.

- The **London Green Fund reserve** (ring-fenced) exists to fund schemes that cut London's carbon emissions.

- The **London & Partners reserve** has been created to ensure that adequate funding is built up for any future reviews of the organisation.

- The **Major Events reserve** represents sums set aside for the delivery of future large-scale events in London.

- The **MHCLG Land Fund reserve** has been created to hold the fund for future revenue works required, where it does not meet the conditions of the capital grant receipts from MHCLG approved under MD2396.

- The **New Deal for Young People reserve** (also known as the Young Londoners' Fund reserve) exists to hold future years' expenditure from the Mayor's £45 million Young Londoners' Fund – supporting a range of education, sport, cultural and other activities for young Londoners.

- The **New Homes Bonus LEP grant reserve** consists of New Homes Bonus grant that has been set aside to fund revenue expenditure that will be incurred by London boroughs, on regeneration schemes, in future years.

- The **organisational transformation reserve** is set up to fund organisational change and business improvement projects.

- The **planning smoothing reserve** has been created to smooth the funding of the Examination in Public of the London Plan and other planning functions.

- The **pre-application planning reserve** carries forward surplus pre-application planning income to fund the running costs of the pre-application planning service in future years.

- The **Recycled Capital Grant Fund (RCGF) interest reserve** holds interest received on unused capital grants that have been returned for redistribution.

- The **Right to Buy (RtB) revenue grant reserve** holds grants received for expenditure towards the Mayor's Homes for Londoners: AHP.

  It should be noted that the RCGF and RtB reserves are deemed to be restricted, and are used in the same way. When grants are given out to housing associations (RCGF) or local authorities (RtB), the terms of these grants require recipients to compensate the GLA for any interest income that they obtained while holding the grant, once the grant is repaid to the GLA. This funding is deemed to be restricted – i.e., they can only be used to cover revenue costs around housing-related expenditure, to support the management of these grant programmes.

- The **revenue grants unapplied reserve** contains grants and contributions received that have no repayment conditions attached. Where expenditure has not yet been incurred, this income is rolled forward; it will be released when expenditure is incurred on the relevant project or initiative. This reserve will also receive the overall surplus or deficit for the GLA at year-end. This reserve allows the GLA to respond to circumstances in London that were not anticipated at the time of setting the budget; and where it would not be appropriate to wait until the next budget before committing expenditure.

- The **Royal Docks Enterprise Zone reserve** manages the funding flows of the Royal Docks Programme – a joint initiative from the Mayor and the London Borough of Newham to develop the Royal Docks area in the east of London. The project will create jobs and new homes; and promote the cultural and economic development of the Docks at local, regional and international levels over the coming years.

- The **Sport Unites reserve** exists to hold future years' expenditure on the Mayor's Sport Unites project.
- The **Stadium reserve** is set up to manage potential cost increases, risks or other developments at London Stadium.
- The **UFSM reserve** will help fund the future provision of free school meals to primary-school children in London. This reserve exists to factor in timing differences on the funding of this programme, as funding is given out for a financial year (April to March) but spent across an academic year (September to August).

B – Savings 2027-28 to 2029-30

Overview of savings

Delivery portfolio/core functions	2026-27	2027-28	2028-29	2029-30
	£m	£m	£m	£m
Portfolio – approved savings in base (plan) budget (as agreed in 2026-27 budget)				
Reducing inequalities	(2.16)	(2.16)	(1.16)	(1.16)
Reducing non-residential emissions	(1.29)	(1.29)	(1.29)	(1.29)
Delivering a greener, more climate-resilient London	(0.15)	(0.15)	(0.15)	(0.15)
Cleaning London's air	(0.20)	(0.20)	(0.20)	(0.20)
Supporting Londoners to benefit from growth	(0.68)	(1.16)	(1.16)	(1.16)
Supporting and inspiring young London	(1.64)	(1.72)	(1.72)	(1.72)
Boosting London's growth sectors	(1.30)	(1.30)	(1.30)	(1.30)
Helping local economies to thrive	(0.77)	(0.77)	(0.46)	(0.46)
Upgrading London's infrastructure	(0.82)	(0.82)	(0.82)	(0.82)
Supporting community, cultural and sporting events in London	(0.60)	(0.60)	(0.60)	(0.60)
Total approved	**(9.61)**	**(10.16)**	**(8.85)**	**(8.85)**
Portfolio – new savings (proposed in this budget)				
Building more homes	-	(0.66)	(0.66)	(0.66)
Making best use of land	-	(0.09)	(0.09)	(0.09)
Reducing non-residential emissions	-	(0.19)	(0.19)	(0.19)
Supporting and inspiring young London	-	(2.39)	-	-
Various	-	(0.28)	(0.28)	(0.28)
Total new	**-**	**(3.61)**	**(1.22)**	**(1.22)**
Total portfolio	**(9.61)**	**(13.77)**	**(10.07)**	**(10.07)**
Core – approved savings in base (plan) budget (as agreed in 2026-27 budget)				
Corporate Resources & Business Improvement	(2.78)	(2.78)	(2.78)	(2.78)
Chief Finance Officer	(0.96)	(0.96)	(0.96)	(0.96)
Strategy & Communications	(1.51)	(1.51)	(1.51)	(1.51)
Good Growth - Planning	(0.60)	(0.60)	(0.60)	(0.60)
Total approved	**(5.85)**	**(5.85)**	**(5.85)**	**(5.85)**
Core – new savings items (proposed in this budget). No approved savings from 2026-27 are increasing in 2027-28				
Corporate Resources & Business Improvement		(3.14)	(3.14)	(3.14)
Chief Finance Officer		(2.22)	(2.22)	(2.22)
Total new	**-**	**(5.36)**	**(5.36)**	**(5.36)**
Total core	**(5.85)**	**(11.21)**	**(11.21)**	**(11.21)**
Total portfolio and core	**(15.46)**	**(24.98)**	**(21.28)**	**(21.28)**
Incremental change compared to previous year	**-**	**(9.52)**	**3.70**	**-**

C – Directorate budgets 2027-28

Programmes	Directorate								
	Chief Finance Officer Net £m	Chief Officer Net £m	Communities & Skills Net £m	Corporate Resources Net £m	Good Growth Net £m	Housing & Land Net £m	Mayor's Office Net £m	Strategy & Communications Net £m	Total Net £m
Building more homes	0.0	0.0	0.0	0.0	0.0	(1.1)	0.0	0.0	(1.1)
Making best use of land	0.0	0.0	0.0	0.0	4.1	0.6	0.0	0.0	4.7
Improving London's housing stock	0.0	0.0	0.0	0.0	3.7	0.7	0.0	0.0	4.5
Reducing inequalities	0.0	0.0	11.6	0.0	0.0	0.0	0.0	0.3	12.0
Accommodation and wider support for those who need it most	0.0	0.0	1.1	0.0	0.0	21.7	0.0	0.0	22.8
Reducing non-residential emissions	0.4	0.0	0.0	0.0	6.1	0.0	0.0	0.0	6.5
Delivering a greener, more climate-resilient London	0.0	0.0	0.0	0.0	12.5	0.0	0.0	0.0	12.5
Cleaning London's air	0.0	0.0	0.0	0.0	1.6	0.0	0.0	0.0	1.6
Supporting Londoners to benefit from growth	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	6.3
Supporting and inspiring young London	0.0	0.0	134.2	0.0	0.0	0.0	0.0	0.0	134.2
Boosting London's growth sectors	3.2	0.0	0.0	0.0	24.5	0.0	0.0	6.0	33.7
Helping local economies to thrive	0.0	0.0	0.0	0.0	14.6	0.0	0.0	0.0	14.6
Upgrading London's infrastructure	0.0	0.0	0.0	0.0	2.7	0.0	0.0	0.0	2.7
Supporting community, cultural and sporting events in London	0.0	0.0	0.6	0.0	13.4	0.0	0.0	12.9	26.8
Transport programmes	0.0	0.0	0.0	0.0	1.2	0.0	0.0	0.0	1.2
Core	30.6	28.5	2.1	38.0	2.2	2.2	7.0	21.0	131.6
Group Collaboration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grand total – directorates	**34.1**	**28.5**	**156.0**	**38.0**	**86.6**	**24.1**	**7.0**	**40.2**	**414.5**

Directorate	Business unit	Budget 2027-28		
		Expenditure	Income	Net
		£m	£m	£m
Chief Officer	Core CMT	0.4	-	0.4
	Elections	26.4	-	26.4
	Mayoral Boards	1.2	(0.6)	0.6
	Standards	0.2	-	0.2
	Transformation Programme	1.0	-	1.0
Chief Officer total		**29.1**	**(0.6)**	**28.5**
Communities & Skills	Employment and Skills	101.9	(96.1)	5.8
	European Social Fund	(0.1)	-	(0.1)
	Adult Skills Fund	343.5	(343.5)	-
	Health	3.3	-	3.3
	Performance Coordination and Collaboration	2.1	-	2.1
	Social and Economic Inclusion	8.6	(0.4)	8.2
	Young London & Communities	136.7	-	136.7
Communities & Skills total		**595.9**	**(440.0)**	**156.0**
Good Growth	Coordination & Programme Unit	0.4	-	0.4
	Culture & Creative Industries	22.8	(1.5)	21.3
	Executive Director, Good Growth	0.2	-	0.2
	Economic Development	27.2	(0.6)	26.7
	Environment	25.5	(3.1)	22.4
	Planning & Regeneration	17.1	(7.6)	9.5
	Transport, Infrastructure & Connectivity	11.6	(5.5)	6.1
Good Growth total		**104.7**	**(18.2)**	**86.6**
Housing & Land	Building Safety	7.2	(7.3)	(0.0)
	Executive Director, Housing and Land	2.4	(0.1)	2.4

	Investment and Operations	10.8	(14.1)	(3.3)
	Programmes and Policy	5.6	(5.3)	0.3
	Specialist Housing and Services	126.8	(105.0)	21.8
	Land and Development	11.8	(8.8)	3.0
Housing & Land total		**164.6**	**(140.5)**	**24.1**
Mayor's Office	Communications	1.1	-	1.1
	Deputy Mayors & Lead Advisers	1.6	(0.0)	1.6
	Mayoral Operations	1.5	-	1.5
	Policy and Delivery	1.7	(0.1)	1.6
	Political and Public Affairs	1.2	(0.0)	1.2
Mayor's Office total		**7.1**	**(0.1)**	**7.0**
Chief Finance Officer	Chief Finance Officer	16.2	(0.2)	16.0
	ERP SAP Replacement	0.9	-	0.9
	Strategic programmes	4.5	(0.0)	4.5
	Financial Services	4.1	(0.7)	3.5
	Group Finance & Performance	0.9	(0.2)	0.7
	Treasury Services	1.2	(0.6)	0.6
Chief Finance Officer total		**27.7**	**(1.6)**	**26.1**
Corporate Resources and Business Improvement	Digital Experience Unit	5.9	-	5.9
	Executive Director, Resource & Business Improvement	1.5	-	1.5
	Facilities Management	14.6	(0.8)	13.8
	People Function	3.2	(0.0)	3.2
	GLA Apprentices	0.8	-	0.8
	Information Governance & Assurance	0.5	-	0.5
	Shared Services	10.7	(0.7)	10.0
	Technology Group	0.6	-	0.6
	Executive Support	1.4	(0.0)	1.4
	Business Improvement	0.1	-	0.1

	Performance & Collaboration	0.2	-	0.2
Corporate Resources and Business Improvement total		**39.5**	**(1.5)**	**38.0**
Strategy & Communications	City Intelligence	5.0	(0.6)	4.4
	Events for London	17.4	(3.2)	14.2
	External Relations	6.7	(0.1)	6.6
	Fire	0.6	-	0.6
	Government & EU relations	0.0	(0.0)	(0.0)
	London Resilience	5.3	(1.8)	3.5
	Major Sports Events	12.2	(6.6)	5.6
	Strategic Partnerships	4.3	(0.0)	4.3
	Executive Director, Strategy & Communication s	1.0	-	1.0
Strategy & Communications total		**52.6**	**(12.4)**	**40.2**
Group Collaboration		**8.0**	**-**	**8.0**
Total directorate budget		**1,029.3**	**(614.8)**	**414.5**

D – Non-departmental revenue budgets

Minimum revenue provision (MRP)

1. MRP is an annual charge that applies to local authorities in the UK. It ensures the cost of borrowing, used to fund capital investment, is repaid over time through revenue budgets. MRP is presented as a separate expenditure item within the budget.

Interest payable

2. This interest, paid by the GLA, primarily relates to interest payable on external loans obtained by the GLA from the Public Works Loan Board.

	2026-27	2027-28	2028-29	2029-30
	Budget as at Q2	Draft budget	Plan	Plan
	£m	£m	£m	£m
MRP	2.0	3.6	3.6	3.6
Interest payable	5.9	10.2	9.7	8.2
Non-departmental total	**7.9**	**13.8**	**13.3**	**11.8**

3. There is an overall increase in these forecast budgets, of £5.9 million, from 2026-27 to 2027-28. This is due to the following:

- MRP – there is an overall increase of £1.6 million from 2026-27 to 2027-28. This is due to approved (i.e. expected) growth of £0.9 million included in the 2027-28 budget forecast (as published in the 2026-27 GLA: Mayor budget) and an additional £0.7 million of forecast growth, based on current updated forecasts. These additional costs are, in part, driven by additional borrowing to cover a range of Mayoral priority projects (including the Crystal Palace National Sports Centre and the London Museum), although the increase in costs for the 2027-28 year is not significant. In addition, the 2026-27 budget did not include an estimate of the potential expected credit loss on the GLA's existing loans; this has been rectified for the 2027-28 budget and has resulted in the majority of the increase.

- Interest payable – there is an increase of £4.3 million 2026-27 to 2027-28. This is due to additional costs for the projects noted above, as well as slightly higher-than-forecast interest rates (compared to March 2026, when the 2026-27 budget was set).

E – Delivery programme decision reports

Delivery plans with clear, measurable goals are in place for all 14 GLA-led programmes. In July 2026, MD3496 showed the changes in delivery plans made up to that point, including those approved in the 2026-27 GLA: Mayor budget. The GLA: Mayor budget in 2027 will summarise all of the changes to be made for 2027-28.

The latest delivery plans are linked below:

- MD3378: Delivery Plan – Building more homes, published 28 July 2025; updated 25 October 2026
- MD3434: Delivery Plan – Making best use of land, published 12 November 2025
- MD3396: Delivery Plan – Improving London's housing stock, published 28 July 2025; updated 25 October 2026
- MD3391: Delivery Plan – Reducing inequalities, published 13 January 2026
- MD3386: Delivery Plan – Accommodation and wider support for those who need it most, published 20 August 2025; updated 25 October 2026
- MD3397: Delivery Plan – Reducing non-residential emissions, published 10 December 2025
- MD3384: Delivery Plan – Delivering a greener, more climate-resilient London, published 11 June 2025; updated 25 October 2026
- MD3400: Delivery Plan – Cleaning London's air, published 28 July 2025
- MD3395: Delivery Plan – Supporting Londoners to benefit from growth, published 25 November 2025; updated 25 October 2026
- MD3380: Delivery Plan – Supporting and inspiring young London, published 30 June 2025; updated 25 October 2026
- MD3430: Delivery Plan – Boosting London's growth sectors, published 18 December 2025; updated 25 October 2026
- MD3426: Delivery Plan – Helping local economies to thrive, published 18 December 2025; updated 25 October 2026
- MD3382: Delivery Plan – Upgrading London's infrastructure, published 20 August 2025; updated 25 October 2026
- MD3392: Delivery Plan – Supporting community, cultural and sporting events in London, published 16 September 2025

F – External revenue income by delivery programme and core budget 2027-28

External revenue income by delivery programme, 2027-28 to 2029-30

Programme	2027-28 budget £m	2028-29 Plan £m	2029-30 Plan £m
Building more homes			
Care and Support Specialised Housing Fund	0.2	-	-
Community Led Housing	0.1	0.1	0.1
Integrated Settlement City Hall Developer Investment Fund (CHDIF)	4.5	11.0	11.9
Integrated Settlement CHDIF - Investment Team	0.2	0.2	0.2
Investment and Operations Team	0.1	0.1	0.1
Land & Development	1.8	1.8	1.8
London Social and Affordable Homes Programme funding	9.3	9.3	-
Programmes & Partnerships	5.3	5.3	5.3
Royal Docks	4.4	4.2	4.2
Seaside and Country	0.1	0.1	0.1
GLAP income recharge - Estates TfL Shared Service	0.6	0.6	0.6
Building more homes total	**26.7**	**32.7**	**24.3**
Making best use of land			
Fees	0.1	0.1	0.1
MHCLG	4.8	4.8	0.4
Making best use of land total	**4.8**	**4.8**	**0.4**
Improving London's housing stock			
Building Safety	7.3	6.5	4.5
Department for Energy Security and Net Zero (DESNZ)	2.7	-	-
Improving London's housing stock total	**9.9**	**6.5**	**4.5**
Accommodation and wider support for those who need it most			
Domestic Abuse Safe Accommodation (DASA)	34.9	36.0	36.0
Integrated Settlement: Supported Housing revenue	13.3	17.1	0.0
Integrated Settlement: Long Term Rough Sleeping Innovation Programme	1.6	1.6	0.0
Integrated Settlement: Homelessness Rough Sleeping Grant	25.8	25.9	25.9
London Strategic Migration Partnership (UKVI) - Income	0.4	0.4	0.4
Integrated Settlement: Rough Sleeping Programme	18.8	19.8	-
Rough Sleeping Accommodation Programme	0.3	0.3	-
Single Homelessness Accommodation Programme	9.8	4.2	0.7
Accommodation and wider support for those who need it most total	**104.9**	**105.3**	**62.9**
Reducing non-residential emissions			
Fees	0.1	0.1	0.1
King's College London	0.1	0.0	-
LLDC solar membrane	(0.4)	(0.4)	(0.4)
MHCLG	0.1	0.1	0.1
Reducing non-residential emissions total	**(0.1)**	**(0.2)**	**(0.2)**

Delivering a greener, more climate-resilient London			
Integrated Settlement: Local Nature Recovery Strategies	0.2	0.2	0.2
Delivering a greener, more climate-resilient London total	**0.2**	**0.2**	**0.2**
Supporting Londoners to benefit from growth			
Get Britain Working Trailblazer - Economic Inactivity	20.0	20.0	20.0
Integrated Settlement: Adult Skills Fund	343.5	343.5	343.5
Integrated Settlement: Connect to Work	49.4	43.7	43.7
Integrated Settlement: Department for Education - Skills Bootcamp	11.8	11.8	11.8
Integrated Settlement: FE Teacher Industry Exchange	0.4	0.4	0.4
Integrated Settlement: Industry Placements	4.5	4.5	4.5
Supporting Londoners to benefit from growth total	**429.6**	**423.8**	**423.8**
Supporting and inspiring young London			
Get Britain Working Trailblazer - Youth Guarantee	10.0	10.0	10.0
Supporting and inspiring young London total	**10.0**	**10.0**	**10.0**
Boosting London's growth sectors			
Bloomberg	1.0	1.0	-
Euro 2028 funding from Department for Digital, Culture, Media and Sport	6.6	11.3	11.3
Boosting London's growth sectors total	**7.6**	**12.3**	**11.3**
Helping local economies to thrive			
High Streets Data Service income	0.0	0.0	0.0
Integrated Settlement: Growth Hubs	0.6	0.6	0.6
Local authority contributions	0.4	0.4	0.4
Helping local economies to thrive total	**1.0**	**1.0**	**1.0**
Upgrading London's infrastructure			
Energy suppliers	0.2	0.2	0.2
Ofwat	1.0	0.8	0.7
TfL	2.7	2.7	2.7
Upgrading London's infrastructure total	**3.9**	**3.7**	**3.6**
Supporting community, cultural and sporting events in London			
Arts Council England	0.3	0.1	-
National Lottery Community Fund	0.1	0.0	-
Sponsorship income	0.1	0.1	0.1
Statutory events programme	3.2	3.2	3.2
World Cities Culture Forum	0.0	-	-
Supporting community, cultural and sporting events in London total	**3.8**	**3.5**	**3.3**
Transport programmes			
TfL	1.6	1.6	1.6
Transport programmes total	**1.6**	**1.6**	**1.6**
Core			
Census- Income	0.0	0.0	0.0
Crossrail (BRS/Mayoral Community Infrastructure Levy)	0.1	0.1	0.1
Crystal Palace National Sports Centre	1.9	1.9	1.9
DPA Team income	0.0	0.0	0.0
GLAP income recharge - non pay	0.0	0.0	0.0

GLAP income recharge (Chief Executive Director)	0.0	0.0	0.0
GLAP income recharge (FM & IT desk charge)	0.3	0.3	0.3
GLAP income recharge - pay	0.0	0.0	0.0
GLAP income recharges	0.9	0.9	0.9
Government Relations income (from Functional Bodies for the monitoring contract)	0.0	0.0	0.0
Housing Director (GLA)	0.1	0.1	0.1
Investment income	1.0	0.9	0.9
LLDC income	0.1	0.1	0.1
Local authorities	0.5	0.5	0.5
London boroughs	0.2	0.2	0.2
London European Office income	0.0	0.0	0.0
London Resilience income	0.2	(0.3)	(0.3)
London Resilience - Trailblazer from MHCLG	(0.0)	(0.0)	(0.0)
MAGIC	0.1	0.1	0.1
Mayor's Press Office (Shared service income)	0.1	0.1	0.1
Metropolitan Police Service	0.2	0.2	0.2
MHCLG	0.7	0.7	0.7
Mayor's Office for Policing and Crime (MOPAC)	0.1	0.1	0.1
OPDC income	0.0	0.0	0.0
OPDC income recharge - staffing	0.0	0.0	0.0
Planning Discounted Market Value Income	0.6	0.6	0.6
Planning Pre-App income	1.7	1.7	1.7
Recharges	0.1	0.1	0.1
Rental & other sales income	0.5	0.5	0.5
Safestats Crime team income from MOPAC	0.2	0.2	0.2
Shared Services	0.6	0.6	0.6
Stockholm	0.1	0.1	0.1
Sub-regional Partnership	0.0	-	-
TfL	0.2	0.2	0.2
TfL Shared Service - income	0.4	0.4	0.4
Core total	**11.0**	**10.4**	**10.4**
Grand total	**614.8**	**615.7**	**557.2**

External revenue income by directorate, 2027-28 to 2029-30

Directorate	Budget line	2027-28 £m	2028-29 £m	2029-30 £m
Chief Officer's Directorate	GLAP income recharge (Chief Executive Director)	0.0	0.0	0.0
	LLDC - income	0.1	0.1	0.1
	MOPAC	0.1	0.1	0.1
	OPDC - Income	0.0	0.0	0.0
	TfL Shared Service - income	0.4	0.4	0.4
Chief Officer's Directorate total		**0.6**	**0.6**	**0.6**
Communities & Skills	Get Britain Working Trailblazer - Economic Inactivity	20.0	20.0	20.0
	Get Britain Working Trailblazer - Youth Guarantee	10.0	10.0	10.0
	Integrated Settlement: Adult Skills Fund	343.5	343.5	343.5
	Integrated Settlement: Connect to Work	49.4	43.7	43.7
	Integrated Settlement: Department for Education - Skills Bootcamp	11.8	11.8	11.8
	Integrated Settlement: FE Teacher Industry Exchange	0.4	0.4	0.4
	Integrated Settlement: Industry Placements	4.5	4.5	4.5
	London Strategic Migration Partnership (UKVI) - Income	0.4	0.4	0.4
Communities & Skills total		**440.0**	**434.2**	**434.2**
Good Growth	Arts Council England	0.3	0.1	-
	Bloomberg	1.0	1.0	-
	DESNZ	2.7	-	-
	Energy suppliers	0.2	0.2	0.2
	Fees	0.1	0.1	0.1
	High Streets Data Service Income	0.0	0.0	0.0
	Integrated Settlement: Growth Hubs	0.6	0.6	0.6
	Integrated Settlement: Local Nature Recovery Strategies	0.2	0.2	0.2
	King's College London	0.1	0.0	-
	Local authority contributions	0.4	0.4	0.4
	MHCLG	4.9	4.9	0.5

	National Lottery	0.1	0.0	-
	OFWAT	1.0	0.8	0.7
	Planning DMV Income	0.6	0.6	0.6
	Planning Pre-App Income	1.7	1.7	1.7
	Sponsorship income	0.1	0.1	0.1
	TfL	4.2	4.2	4.2
	WCCF	0.0	-	-
Good Growth total		**18.2**	**14.9**	**9.3**
Housing & Land	Building Safety	7.3	6.5	4.5
	Care and Support Specialised Housing Fund	0.2	-	-
	Community Led Housing	0.1	0.1	0.1
	Crystal Palace National Sports Centre	1.9	1.9	1.9
	Domestic Abuse Safe Accommodation (DASA)	34.9	36.0	36.0
	GLAP income recharge - Estates TfL Shared Service	0.6	0.6	0.6
	Housing Director (GLA)	0.1	0.1	0.1
	Integrated Settlement: Supported Housing revenue	13.3	17.1	-
	Integrated Settlement: Long Term Rough Sleeping Innovation Programme	1.6	1.6	-
	Integrated Settlement: City Hall Developer Investment Fund (CHDIF)	4.5	11.0	11.9
	Integrated Settlement: CHDIF - Investment Team	0.2	0.2	0.2
	Integrated Settlement: Homelessness Rough Sleeping Grant	25.8	25.9	25.9
	Investment and Operations Team	0.1	0.1	0.1
	Land & Development	1.8	1.8	1.8
	LSAHP RDEL	9.3	9.3	-
	Integrated Settlement: Rough Sleeping Programme	18.8	19.8	-
	Programmes & Partnerships	5.3	5.3	5.3
	Rough Sleeping Accommodation Programme	0.3	0.3	-
	Royal Docks	4.4	4.2	4.2
	Seaside and Country	0.1	0.1	0.1
	Single Homelessness Accommodation Programme	9.8	4.2	0.7
Housing and Land total		**140.5**	**146.2**	**93.3**

Mayor's Office	Recharges	0.1	0.1	0.1
Mayor's Office total		**0.1**	**0.1**	**0.1**
Corporate Resources and Business Improvement	GLAP income recharge (FM & IT desk charge)	0.3	0.3	0.3
	Rental & other sales income	0.5	0.5	0.5
	GLAP income recharge - non pay	0.0	0.0	0.0
	Shared Services	0.6	0.6	0.6
	GLAP income recharge - pay	0.0	0.0	0.0
Corporate Resources and Business Improvement total		**1.5**	**1.5**	**1.5**
Chief Finance Officer	Crossrail (BRS/Mayoral Community Infrastructure Levy)	0.1	0.1	0.1
	GLAP income recharges	0.9	0.9	0.9
	Investment Income	1.0	0.9	0.9
	LLDC solar membrane	(0.4)	(0.4)	(0.4)
	OPDC income recharge - staffing	0.0	0.0	0.0
Chief Finance Officer total		**1.6**	**1.6**	**1.6**
Strategy & Communications	Census - income	0.0	0.0	0.0
	DPA Team - income	0.0	0.0	0.0
	Euro 2028 Funding from DCMS	6.6	11.3	11.3
	Government Relations Income (from Functional Bodies for the monitoring contract)	0.0	0.0	0.0
	Local authorities	0.5	0.5	0.5
	London boroughs	0.2	0.2	0.2
	London European Office - income	0.0	0.0	0.0
	London Resilience - income	0.2	(0.3)	(0.3)
	London Resilience - Trailblazer from MHCLG	(0.0)	(0.0)	(0.0)
	MAGIC	0.1	0.1	0.1
	Mayor's Press Office (Shared service income)	0.1	0.1	0.1
	Met Police	0.2	0.2	0.2
	MHCLG	0.7	0.7	0.7
	Safestats Crime team income from MOPAC	0.2	0.2	0.2
	Statutory events programme	3.2	3.2	3.2

	Stockholm	0.1	0.1	0.1
	Sub-regional Partnership	0.0	-	-
	TfL	0.2	0.2	0.2
Strategy & Communications total		**12.4**	**16.6**	**16.6**
Grand total		**614.8**	**615.7**	**557.2**

Integrated Settlement revenue funding by delivery programme, 2027-28 to 2029-30

Delivery Programme	Directorate	Functional responsibility	Fund	2026-27 budget as at Q2 £m	2027-28 Draft budget £m	2028-29 Plan £m	2029-30 Plan £m
Building more homes	Housing & Land	Housing and strategic planning	National Housing Delivery Fund	5.0	4.5	11.0	11.9
Building more homes total				**5.0**	**4.5**	**11.0**	**11.9**
Supporting Londoners to benefit from growth	Communities & Skills	Adult skills and employment support	Adult Skills Fund	343.5	343.5	343.5	343.5
			Connect to Work	47.0	49.4	43.7	43.7
			Skills Bootcamps	11.8	11.8	11.8	11.8
			Industry Placements	4.6	4.5	4.5	4.5
			FE Teacher Industry Exchange	0.4	0.4	0.4	0.4
Supporting Londoners to benefit from growth total				**407.2**	**409.6**	**403.8**	**403.8**
Accommodation and wider support for those who need It most	Housing & Land	Health, wellbeing and public service reform	Long Term Rough Sleeping Innovation	1.6	1.6	1.6	-
			Supported Housing Services	10.2	13.3	17.1	-
			Homelessness & Rough Sleeping	25.3	25.8	25.9	25.9
			Rough Sleeping Programme	-	18.8	19.8	-
Accommodation and wider support for those who need it most total				**37.1**	**59.5**	**64.5**	**25.9**
Helping local economies to thrive	Good Growth	Economic development and regeneration	Growth Hubs	0.6	0.6	0.6	0.6
Helping local economies to thrive total				**0.6**	**0.6**	**0.6**	**0.6**
Delivering a greener, more climate-resilient London	Good Growth	Environment and climate change	Local Nature Recovery Strategies	0.2	0.2	0.2	0.2
Delivering a greener, more climate-resilient London total				**0.2**	**0.2**	**0.2**	**0.2**
Grand total				**450.0**	**474.3**	**480.1**	**442.4**

G – Subjective tables 2027-28

	Subjective							
	Expenditure				Income			Net
Delivery Programme	**Staff costs £m**	**Premises costs £m**	**Supplies and services £m**	**Total gross expenditure £m**	**Sales, fees, charges and recharges £m**	**Specific grants £m**	**Total gross income £m**	**Net expenditure £m**
Building more homes	17.6	-	8.0	**25.5**	(5.3)	(21.4)	**(26.7)**	**(1.1)**
Making best use of land	4.3	-	5.3	**9.5**	(0.1)	(4.8)	**(4.8)**	**4.7**
Improving London's housing stock	5.5	-	8.9	**14.4**	-	(9.9)	**(9.9)**	**4.5**
Reducing inequalities	5.2	-	6.8	**12.0**	-	-	**-**	**12.0**
Accommodation and wider support for those who need It most	3.9	-	123.9	**127.8**	-	(104.9)	**(104.9)**	**22.8**
Reducing non-residential emissions	4.3	-	2.0	**6.3**	(0.1)	0.2	**0.1**	**6.5**
Delivering a greener, more climate-resilient London	1.3	-	11.4	**12.7**	-	(0.2)	**(0.2)**	**12.5**
Cleaning London's air	0.8	-	0.7	**1.6**	-	-	**-**	**1.6**
Supporting Londoners to benefit from growth	9.7	-	426.2	**435.9**	-	(429.6)	**(429.6)**	**6.3**
Supporting and inspiring young London	2.6	-	141.6	**144.2**	-	(10.0)	**(10.0)**	**134.2**
Boosting London's growth sectors	3.8	-	37.5	**41.3**	-	(7.6)	**(7.6)**	**33.7**
Helping local economies to thrive	5.0	-	10.6	**15.6**	-	(1.0)	**(1.0)**	**14.6**
Upgrading London's infrastructure	3.5	-	3.1	**6.6**	-	(3.9)	**(3.9)**	**2.7**
Supporting community, cultural and sporting events in London	3.0	-	27.5	**30.6**	(3.2)	(0.5)	**(3.8)**	**26.8**
Transport programmes	1.2	-	1.6	**2.8**	-	(1.6)	**(1.6)**	**1.2**
Core	58.1	14.7	61.7	**134.6**	(4.8)	(6.2)	**(11.0)**	**123.6**
Group Collaboration	-	-	8.0	**8.0**	-	-	**-**	**8.0**
Total	**129.7**	**14.7**	**884.9**	**1,029.3**	**(13.5)**	**(601.4)**	**(614.8)**	**414.5**

H – London climate budget

Introduction

1. Net zero is a cross-cutting principle across the GLA's delivery portfolio of 14 strategic programmes. The Mayor continues to prioritise investment to make our city greener, fairer and more resilient. Despite a 32 per cent increase in population since 1990, and significant economic growth over that period, London's per capita emissions have reduced by 52 per cent from 1990 to 2023.

2. Considerations around greenhouse gas (GHG) emissions inform the GLA's programme and budgetary decisions. The climate budget itself has continued to provide external visibility, and organisational focus, on investments that drive climate mitigation, and resilience to the impacts of climate change.

Corporate-level measures

3. The GLA estate comprises:

- 639 Tottenham High Road
- City Hall
- Trafalgar Square
- Crystal Palace National Sports Centre (CPNSC)
- London Stadium
- GLAP.

Expenditure for corporate-level activities across the GLA estate for 2027-28 is forecast to be £38.6 million, with a further £27.9 million spending currently forecast through to 2029-30.

4. Most of this expenditure is associated with the decarbonisation of CPNSC, undertaken alongside phase one of a wider redevelopment programme. This investment will deliver estimated lifetime savings of 60,117 tCO_2e (tonnes of carbon dioxide equivalent).

5. Work to upgrade City Hall's air-handling units is expected to finish in 2026-27; and is being complemented by ongoing upgrades to the building management system. Overall emissions-savings projections at City Hall are modest, as these improvements are offset by a forecast increase in energy consumption (due to hotter summers; higher occupancy; and more frequent events hosted at the site). Facilities Management is exploring further energy-efficiency measures, such as optimising the building's lighting; and replacing photovoltaic infrastructure at the end of its lifecycle with more efficient components.

6. The full breakdown of the GLA's expenditure aimed at decarbonising the GLA estate can be found in Appendix 2, Climate budget measures tables:

- Table A sets out the 'funded measures' (projects where there is planned expenditure)
- Table B sets out the 'unfunded measures' (potential projects that could be taken forward in the future, but are currently without planned expenditure).

7. Figure 1, below, charts:

- historic emissions across the GLA estate (black line)
- projected emissions (blue line)

- projected emissions if the currently unfunded projects are delivered (green line).

The data shows that the GLA estate has achieved a 55 per cent emissions reduction against the 2015 baseline. We expect this to reach 76 per cent by 2031, or 82 per cent with the currently unfunded measures. Following routine review, historic emissions from 2015-20 have been revised down in this year's climate budget. We continuously review and refine our data and analysis to ensure accuracy and transparency.

8. With the construction of CPNSC commencing in early 2027, and running to 2029, there are no operational emissions projected for this period due to Centre closure. In Figure 1, this is reflected in a sharp drop in emissions from 2025-26 to 2026-27. The chart shows forecast emissions following the redevelopment, including associated decarbonisation works.

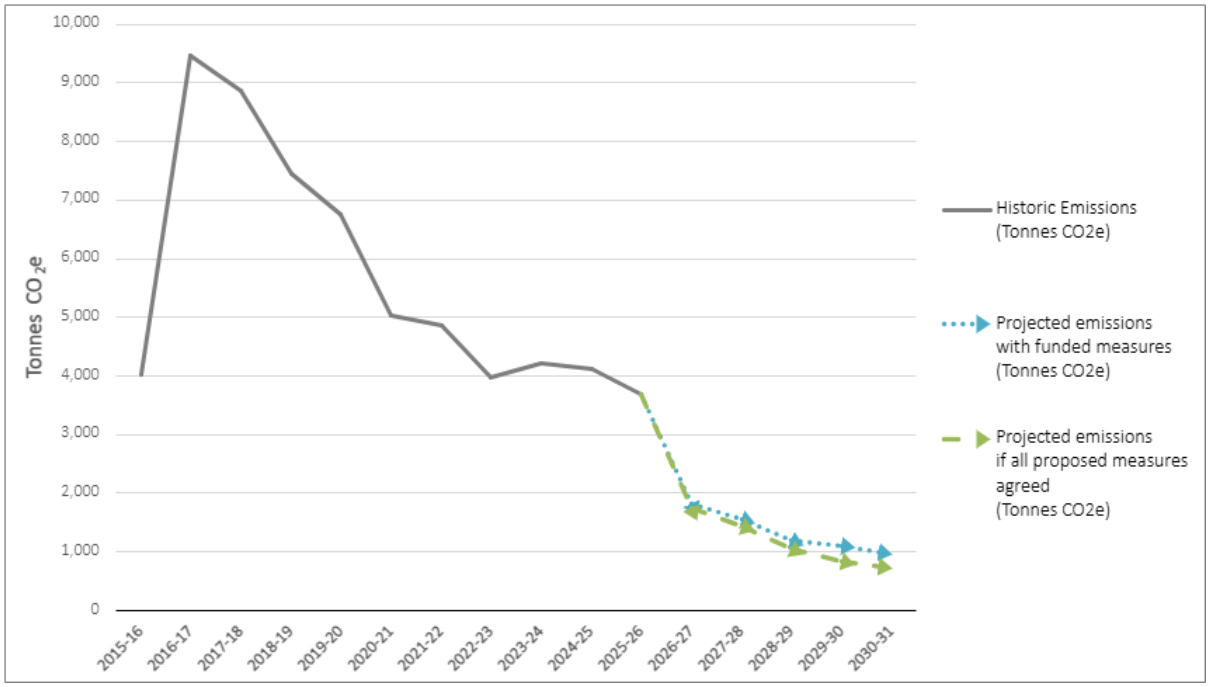


Figure 1 – Impact of funded and unfunded corporate decarbonisation programmes. The increase in 2016-17 is due to the opening of the London Stadium following its post-Olympics conversion.

Programme-level measures

9. Expenditure on London-wide programmes supports our partners and the city (beyond the GLA's own estate and operations) to adapt to a changing climate, and to accelerate the reduction of GHG emissions. The climate budget sets out both funded and unfunded programmes in this category. These are charted against the Mayor's Accelerated Green Pathway to Net Zero: an ambitious target for decarbonisation across London, which requires investment from central government, businesses, London boroughs and the GLA, as well as regulatory changes.

10. The total expenditure for funded programmes that contribute towards London-wide decarbonisation is estimated at £435.98 million through to 2029-30 (Table C). This year's climate budget includes several new projects. Notably, the integrated settlement for retrofit (the Mayor's Home Energy Saving Fund) will provide around £59 million funding for capital grants to social housing providers; this will result in an estimated £80 million savings on energy bills, and 107,000 tCO2e savings, by 2070.

11. Other programmes demonstrate the GLA's commitment to supporting London's climate resilience – such as the £12 million investment in the Green Roots Fund, and £7.9 million investment in strategic blue-green infrastructure projects. Co-benefits include:

- improved access to green and blue spaces

- reduced flood risk
- improved air quality
- improved biodiversity
- greener, more resilient high streets and active travel routes.

12. Other notable ongoing programmes include:

    - the Mayor's £500 million Green Finance Fund, which provides low-cost finance for public sector decarbonisation across London
    - Warmer Homes London, which supports delivery of existing capital programmes for retrofit
    - the Skills Bootcamp, supporting Londoners to gain skills in London's green economy.

13. This year's climate budget does not include programme-level measures that are supported by staff time only, or where non-staff expenditure is low. This change – made in response to feedback – creates a more succinct and accessible picture of the major programmes that have the most significant impact on emissions and adaptation.

14. Unfunded measures and initiatives that could have a significant impact on London-wide building emissions are included in the climate budget (Table D). This is a means of demonstrating the sort of activities that could significantly accelerate London's trajectory to net zero.

15. Figure 2, below, shows the gap between London's indicative emissions trajectory without further significant funding and regulatory change (baseline forecast); and the Mayor's preferred Accelerated Green Pathway. It also shows the extent to which the unfunded measures in Table D can close that gap.

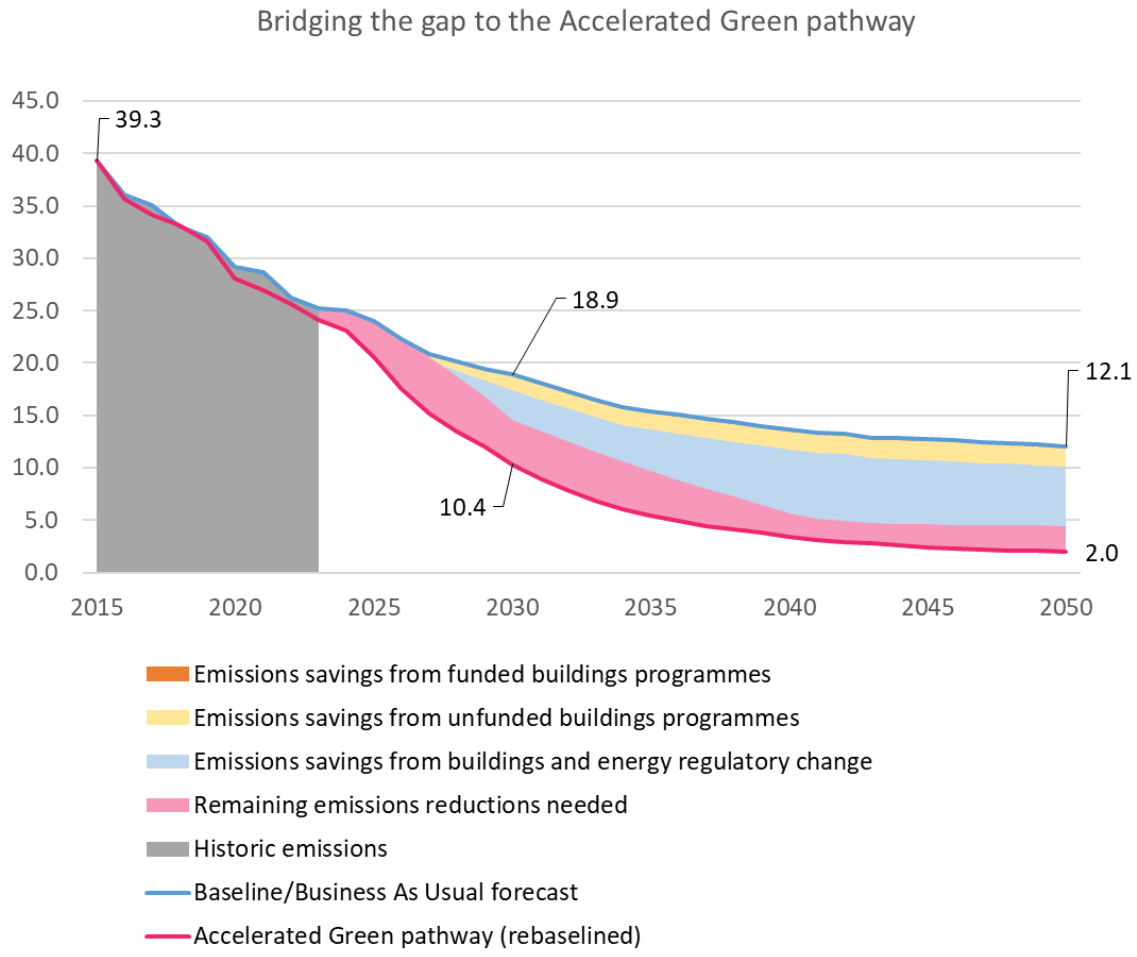


Figure 2 – Impact of unfunded London-wide measures and regulatory change on London's indicative emissions trajectory. Source: GLA analysis.

In addition to investment from a variety of sources, it should be noted that a significant proportion of emissions reductions to achieve the Mayor's net-zero target needs to be driven by national regulatory change. This may include measures such as a phase-out of gas boilers; higher energy-efficiency standards for buildings; and a net-zero electricity grid.

16. The full breakdown of the GLA's expenditure on London-wide programmes to support decarbonisation and climate resilience can be found in Appendix 2:

- Table C sets out the 'funded measures' (programmes where there is planned expenditure)
- Table D sets out the 'unfunded measures' (potential programmes that could be taken forward in the future, but are currently without planned expenditure).

I – Assembly budget 2027-28 to 2029-30

MDA No.: 1924

Title: GLA Oversight Committee – Assembly Budget Requirements 2027-28

1. Executive Summary

1.1 At the GLA Oversight Committee meeting on 13 October 2026 the Committee resolved:

"That the proposed request to the Mayor of London for additional funding to support a small increase in resource for London TravelWatch set out at Section 10 of the Agenda report be considered, ahead of substantive consideration of this matter by the Transport Committee on 3 November 2026, and authority be delegated to the Chairman of the GLA Oversight Committee, in consultation with the Deputy Chair and Group Leads, to update the London Assembly's core budget requirement 2027-28, in order to reflect the Transport Committee's recommendation regarding London TravelWatch's budget for 2027-28".

1.2 Following consultation with the Deputy Chairman and party Group Lead Members, the Chairman approved the London Assembly's budget submission for 2027-28, reflecting the Transport Committee's recommendation regarding London TravelWatch's budget for 2027-28, and agreed that the London Assembly budget submission for 2027-28 be sent to the Mayor of London, as attached at **Appendix 3**.

2. Decision

2.1 **That the London Assembly core budget submission for 2027-28 be agreed and submitted to the Mayor of London.**

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: **Emma Best, Chairman of the GLA Oversight Committee**

Date: **4 November 2026**

3. Decision by an Assembly Member under Delegated Authority

Background and proposed next steps:

3.1 The standing orders of the GLA Oversight Committee require the Committee to recommend to the Mayor of London a budget proposal for the London Assembly for the following financial year.

3.2 At the meeting of the GLA Oversight Committee on 13 October 2026, the GLA Oversight Committee received the London Assembly's core draft budget requirement submission for 2027-28. This included a proposed request to the Mayor of London for additional funding to support an increase in resource for London TravelWatch. The GLA Oversight Committee agreed the draft submission ahead of substantive consideration of this matter by the Transport Committee at its meeting on 3 November 2026.

The GLA Oversight Committee delegated authority to the Chairman of the GLA Oversight Committee, in consultation with the Deputy Chair and party Group Leads, to update and approve the London Assembly's core budget submission 2027-28, in order to reflect the Transport Committee's recommendation regarding London TravelWatch.

3.3 At its meeting on 3 November 2026, the Transport Committee approved the request for additional funding to support an increase in resource for London TravelWatch, consisting of a request to the Mayor of London of an increase of £81,000 to the Assembly's budget allocation from 2027-28 onwards to support changes to the TravelWatch budgets and an allocation of £70,000 from the Assembly reserves.

3.4 Following this decision, the Chairman of the GLA Oversight Committee, in consultation with the Deputy Chair and party Group Lead Members, agreed that the London Assembly's core draft budget submission for 2027-28 be submitted to the Mayor of London, as attached at **Appendix 3**.

3.5 The exercise of delegated authority approving the submission to the Mayor of London of the updated London Assembly core draft budget for 2027-28 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): Nikoleta Kemp

Printed Name: Nikoleta Kemp, Principal Committee Manager

Date: 3 November 2026

Financial Implications:

Note: Finance comments and signature are required only where there are financial implications arising or the potential for financial implications.

Signature (Finance): 

Printed Name: Peter Sebastian, Assistant Director, Financial Services, GLA

Date: 4 November 2026

Legal Implications:

The Chairman 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: 4 November 2026

Email: rory.mckenna@london.gov.uk

Supporting Detail / List of Consultees:

- Bassam Mahfouz AM, Deputy Chair
- Hina Bokhari OBE AM
- Keith Prince 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

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: 

Printed Name: Helen Ewen

Job Title: Executive Director of Assembly Secretariat

Date: 4 November 2026

Countersigned by Executive Director:

Signature: 

Printed Name: Helen Ewen

Date: 4 November 2026

J – GLA Group items

The budget for GLA Group items is controlled by the Mayor. These are managed through resources that are held within the GLA: Mayor budget; but are distinct from the service-related items set out in the objective and subjective tables. The following tables set out the budget and reserves for GLA Group items.

GLA Group Items budget	Revised budget 2026-27 £m	Forecast outturn 2026-27 £m	Budget 2027-28 £m	Change (revised budget to budget) £m	Plan 2028-29 £m	Plan 2029-30 £m
Northern line extension (NLE): contributions	(25.1)	(25.6)	(25.6)	(0.5)	(45.6)	(48.6)
NLE: interest receivable	(4.0)	(5.4)	(3.6)	0.4	(1.8)	(0.5)
NLE: financing and other costs	25.1	22.7	21.2	(3.9)	19.7	17.4
NLE: debt repayment	66.0	66.0	34.6	(31.4)	30.3	34.0
Crossrail: contributions	(409.7)	(400.0)	(384.7)	25.0	(414.7)	(447.9)
Crossrail: interest receivable	(2.7)	(4.3)	(2.4)	0.3	(0.5)	(2.4)
Crossrail: financing and other costs	111.2	114.6	105.7	(5.5)	95.7	93.4
Crossrail: debt repayment	301.2	289.7	281.4	(19.8)	319.4	356.9
Major projects subtotal	**62.0**	**57.7**	**26.6**	**(35.4)**	**2.5**	**2.3**
Net expenditure funded from Group:						
GLA	49.6	43.4	1.0	(48.6)	1.5	1.5
GLA Group initiatives – income maximisation	11.4	11.4	11.6	0.2	11.9	12.1
TfL	17.2	17.2	0.0	(17.2)	0.0	0.0
LLDC	25.2	27.5	2.1	(23.1)	6.6	0.5
OPDC	0.4	0.4	0.0	(0.4)	0.0	0.0
OSDC	0.0	(4.3)	2.0	2.0	1.3	2.4
GLA Group bodies subtotal	**103.7**	**95.5**	**16.7**	**(87.0)**	**21.3**	**16.5**
Business rates tariff	1,097.0	1,097.0	1,122.2	25.2	1,144.7	1,167.6
Gross expenditure	**1,704.2**	**1,689.8**	**1,581.8**	**(122.4)**	**1,631.1**	**1,685.8**
Gross income	**(441.5)**	**(439.6)**	**(416.3)**	**25.2**	**(462.6)**	**(499.4)**
Total net expenditure	**1,262.7**	**1,250.2**	**1,165.5**	**(97.2)**	**1,168.5**	**1,186.4**
Transfers to/(from) reserves:						
Business rates reserve	(56.3)	(59.8)	0.5	56.8	0.0	0.0
MDC reserves	(13.5)	(13.4)	8.7	22.2	4.9	9.9
NLE reserve	(62.0)	(60.5)	(26.6)	35.4	(2.6)	(2.3)
Financing requirement	**1,130.8**	**1,116.4**	**1,148.1**	**17.3**	**1,170.8**	**1,194.0**
Council tax collection fund deficit	0.0	(2.8)	0.0	0.0	0.0	0.0
Retained business rates	1,130.8	1,119.2	1,148.1	17.3	1,170.8	1,194.0
Council tax requirement	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

GLA Group reserves at end of financial year	Forecast 2026-27 £m	Transfers in year £m	Budget 2027-28 £m	Plan 2028-29 £m	Plan 2029-30 £m
Business rates reserve	260.1	0.5	260.6	260.6	260.6
MDC reserves	50.1	8.7	58.7	63.6	73.2
NLE reserve	34.6	(26.6)	8.0	5.4	3.1
Total	**344.7**	**(17.4)**	**327.3**	**329.6**	**336.9**

GLA Group initiatives – income maximisation

The GLA works with London's 33 billing authorities to maximise collection of council tax and business rates income, including the Crossrail Business Rate Supplement. These revenues are a significant source of funding for services, capital investment and borrowing across the GLA Group. Since 2020, the GLA has provided financial support to all London billing authorities – including additional assistance during and following the pandemic and subsequent periods of economic strain.

The Mayor's budget provides funding to billing authorities across London to support activity that increases revenue collection and improves the accuracy of the tax base. This includes:

- commercial property-inspection teams that identify omitted or incorrectly valued assessments; and monitor newly constructed and redeveloped properties
- business rates and council tax arrears teams that recover outstanding debt; prevent the growth of new arrears; and apply ethical collection practices
- debt and welfare advice services that support low-income households in accessing benefits; claiming council tax support, where eligible; and establishing affordable repayment arrangements.

The GLA also provides funding to all 33 of London's billing authorities to support their work in relation to the administration and collection of council tax, business rates and the Crossrail business rates supplement (BRS). This programme funds property inspectors who undertake work to ensure the accuracy of the business rates and council tax valuation lists, so as to improve cash flow and tackle business rates avoidance. The funding also supports authorities to tackle business rates and council tax arrears; council tax hardship schemes; and debt and welfare advice. Funding allocations take into account local tax bases and variations in collection challenges between different authorities. The funding also supports capacity in smaller billing authorities, particularly in outer London; and helps low-income households via council tax support.

The funding provided by the Mayor in this budget of £11.6 million was approved in MD3458; and increases annually with inflation. This equates to less than 0.2 per cent of the GLA's £6 billion annual council tax and business rates revenues. It is estimated that for every pound the GLA invests in these projects, it receives seven times as much additional income.

This support to boroughs is funded from the GLA's business rates income, and is self-financing. This is because the additional revenues raised for the GLA, and for the local billing authorities that deliver them, exceed the combined contributions towards the associated projects several times over.

DLR Extension to Thamesmead and Beckton Riverside (the Scheme)

The Scheme is a major transport infrastructure project and is expected to unlock around 145 hectares of brownfield land. It will deliver 25,000 to 30,000 new homes, and 10,000 jobs, across Beckton Riverside and Thamesmead Waterfront. TfL estimates the Scheme could generate around £15.6 billion of economic benefits.

To enable delivery of Scheme, it is proposed that the GLA will make capital grant payments to TfL, funded by borrowing from the National Wealth Fund (NWF). The Scheme and funding proposals are subject to a successful Transport and Works Act Order (TWAO) application and Mayoral Decision, and therefore it has not been included in the GLA's 2027-28 capital spending plan. The indicative estimates for the GLA's future contribution to the Scheme are:

Scheme forecast £ million	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**	**2031-32 to 2035-36**
Capital grant payable to TfL	15.2	57.6	85.8	133.6	144.3	231.8
Interest	0.9	4.0	8.7	16.1	24.5	0.0
Scheme forecast	**16.1**	**61.6**	**94.5**	**149.7**	**168.8**	**231.8**