

GREATER LONDON AUTHORITY

Introduction

The Mayor of London's budget for 2025-26 sets out how he will fund his plans to continue building a fairer, safer, and greener London for everyone and provides resources to improve key public services in the capital. The budget ensures investment to tackle crime, build more affordable homes, reduce street homelessness, improve our transport network, and ensure London remains a world-leader in tackling air pollution and the climate crisis.

The budget prioritises resources for the Metropolitan Police Service (MPS) and London Fire Brigade (LFB) to keep Londoners safe. This includes resources for violence reduction initiatives, support for victims of crime, additional funding for frontline police officers, continued reform of the MPS and the delivery of projects to divert vulnerable young people away from gangs and violence. It also confirms funding to continue Universal Free School Meals in London's state primary schools for a further academic year until July 2026.

Council tax for GLA services

The GLA's share of the council tax for a typical Band D property has been increased by £18.98 (or 37p per week) to £490.38. The additional income from this increase in council tax will fund the MPS and the LFB. Council taxpayers in the City of London, which has its own police force, will pay £171.25.

Band D Council Tax (£)	2024-25	Change	2025-26
MOPAC (Metropolitan Police)	305.13	14.00	319.13
LFC (London Fire Brigade)	66.74	4.98	71.72
GLA	22.44	0.00	22.44
Transport for London	77.09	0.00	77.09
Total	471.40	18.98	490.38

Controlling costs at City Hall and delivering the Mayor's key priorities

The Mayor's 2025-26 budget includes over £345 million of savings and efficiencies, including from the more efficient use of office accommodation and technology and sharing back office and support functions across the GLA Group family. These savings have allowed the release of resources to help meet the Mayor's key priorities.

For the third year running, the Mayor's budget incorporates a Climate Budget, setting out how the GLA Group's spending is linked to his commitment to make London net zero by 2030. This year, the scope has been expanded to cover additional measures that cut emissions across London beyond the GLA Group's own operations. The Mayor will also invest around £350 million in 2025-26 through his Adult Skills Fund to help tackle unemployment, support Londoners to secure better paid jobs and improve their household circumstances.

The Mayor has responded to the cost-of-living challenges facing families in London by providing £147.5 million of additional funding to extend his universal free school meals programme for London's estimated 287,000 state primary school children for the 2025-26 school year. By July 2026, it is estimated that this programme will have saved London families up to £1,500 per child since its introduction in September 2023.

The Mayor will continue to tackle London's housing crisis, by investing £1.5 billion in 2025-26 to increase the number of Londoners who have a safe, decent and affordable home. He will also allocate resources to tackle homelessness and reduce rough sleeping.

The Mayor will also work with London's business community, key investors and other stakeholders to grow our economy. He will provide funding for new projects to bring communities together, tackle social inequality and support London's businesses, including projects to help small and medium sized firms.

The Mayor's Office for Policing and Crime (MOPAC)

The Mayor's top priority is keeping Londoners safe. His draft Police and Crime Plan for 2025-26 sets out his vision for achieving this in partnership with the MPS. The four key themes of the Plan are:

- reducing and preventing violence – preventing and reducing violence affecting young people; making London a city in which women and girls are safer and feel safer; tackling the harm caused by drugs; reducing reoffending by the most violent and high-risk groups; preventing hate crime; and working together to prevent terrorism and violent extremism
- increasing trust and confidence – increasing public trust in the MPS and reducing gaps in confidence between different groups; ensuring that the MPS engages with Londoners and treats them fairly
- better supporting victims – improving the service and support that victims receive from the MPS and the criminal justice service; working to ensure victims receive a better criminal justice response and outcome; and reducing the number of repeat victims of domestic abuse and sexual violence
- protecting people from being exploited or harmed – reducing the number of young people and adults who are criminally exploited or harmed; keeping young people in the justice system supported and safe; and keeping people safe online.

The Mayor has more than doubled his investment in policing since 2016 to help tackle crime, including recurring funding for 1,300 additional police officers using council tax and business rates income. While the Mayor provides MOPAC and the MPS with as much funding as possible, the impact of significant real-terms national government cuts between 2010 and 2024 and a lack of financial support for the additional pressures of policing the capital, has left the MPS in a difficult financial position despite the Mayor's record investment.

Following engagement with the Mayor, the Home Secretary provided £231.2 million of additional funding in the 2025-26 police funding settlement for the MPS. This includes an additional £63 million through the National and International Capital Cities (NICC) grant and an extra £45.6 million to fund neighbourhood policing.

The Mayor also continues to spearhead efforts with the Metropolitan Police Commissioner to build an MPS that is trusted, representative of London and delivers the highest possible service to every community in our city. Working with the Commissioner, the Mayor is accelerating the root and branch reforms and systemic change needed to the MPS's performance and culture.

The Mayor is also focused on being tough on the complex causes of crime. The Mayor has funded more than 500,000 positive opportunities to help divert vulnerable young Londoners away from crime – including through London's Violence Reduction Unit.

Transport for London (TfL)

TfL has faced significant financial challenges since the pandemic. Through prudent and effective financial management, it has managed to navigate through the resulting financial impacts while protecting vital services for Londoners, delivering the first ever operational surplus in the organisation's history. The Mayor continues to work with the government to secure a sustainable long-term funding settlement for TfL and has already secured an additional £485 million of capital funding for 2025-26. The Mayor's priorities for TfL, subject to funding constraints where applicable, and key achievements include:

- Working with London boroughs to maintain existing concessionary travel and assisted door to door transport schemes. This includes, for example, maintaining free bus and tram travel for under 18s as well as free off-peak travel across the network for older Londoners, the disabled, armed forces personnel in uniform and eligible armed services veterans and protecting the Taxi card and Dial-a-Ride schemes
- Building on the success of delivering the Elizabeth line on its full timetable and route. The Elizabeth line has increased central London's rail capacity by ten per cent and saw over 500,000 passenger journeys between its opening date in 2022 and early 2025. This has made it the busiest rail line in the UK. This follows on from the opening of the Northern line extension to Nine Elms and Battersea Power Station in September 2021
- Rolling out new trains on the Piccadilly line, with the first new trains serving customers from 2025 and upgrading the signalling on the District and Metropolitan lines
- Delivering the local regeneration and housing benefits arising from completing the extension of the London Overground on the Gospel Oak to Barking Line to serve Barking Riverside
- Continuing to improve accessibility across TfL's network, increasing the availability of step-free access and toilets. In 2025-26, TfL will increase investment in step-free schemes to make progress towards its goal of halving step-free journey times across the network, as well as its target of making 50 per cent of London Underground stations fully accessible. All 41 Elizabeth line stations are now step-free
- Improving bus passengers' experience with two significant areas of focus being the continuation of building the Superloop network, through Superloop 2, and also the transition to a zero-emission network ideally by 2030
- Freezing bus and tram fares in 2025 and retaining the one-hour Hopper fare thus making transport more affordable for millions of Londoners
- Developing plans and taking steps to secure funding for a number of key future transport schemes including the DLR extension to Thamesmead, the West London Orbital and the Bakerloo Line Extension. TfL will seek to collaborate with government on the development of rail devolution and metroisation, with an initial focus on the Great Northern franchise
- Investing in schemes designed to make walking, cycling and public transport safer, cleaner and more appealing in partnership with London boroughs.

London Fire Commissioner (LFC)

The LFC's Community Risk Management Plan (CRMP), 'Your London Fire Brigade', is based on the recommendations from the Grenfell Tower Inquiry and focuses on improving fire and rescue services through four pillars: engaging, protecting, learning from and representing Londoners. The Mayor has provided resources to roll out a transformation programme to support the LFB in implementing the recommendations of the Grenfell Tower Inquiry and other key improvements.

His Majesty’s Inspectorate of Constabulary and Fire & Rescue Services confirmed in November 2024 that the LFB has made significant improvements in its performance and culture. The LFB now responds to emergencies faster and is rated as outstanding in how it responds to major and multi-agency incidents. This positive transformation has been aided by significant investment from the Mayor over recent years. Through further funding in this budget, the Mayor continues to support the London Fire Commissioner and his team.

London Legacy Development Corporation (LLDC)

The LLDC was set up to ensure that the city benefitted from a long-term legacy from the London 2012 Olympic and Paralympic Games. The Mayor’s 2025-26 budget provides funding to complete the construction of East Bank, one of the world’s largest and most ambitious cultural and education districts, in Queen Elizabeth Olympic Park. Following the return of planning powers to the four local boroughs, the London Stadium will transfer to the GLA and the corporation’s boundaries and revenue budget will reduce. LLDC will continue to work with partners to progress major housing schemes across its landholdings and develop an inclusive economy on the Park. The LLDC is not funded from council tax.

Old Oak and Park Royal Development Corporation (OPDC)

The OPDC has been established to support the creation of 65,000 new jobs and at least 24,000 new homes in west London over the next 20 years. It will build on the regeneration benefits which High Speed 2 (HS2), the Elizabeth line and the Great Western Mainline stations at Old Oak Common are expected to bring locally. The Mayor’s 2025-26 budget provides additional resources to enable the corporation to continue the delivery of its programme. The OPDC is not funded from council tax.

Summary of the GLA Group budget

The tables below show where the GLA’s funding comes from and the reasons for the year on year change in the budget. It also explains how the GLA has calculated the sum to be collected from council tax (the council tax requirement).

How the GLA’s budget is funded (£ million)	2025-26
Gross expenditure	16,737.3
Government grants and retained business rates	-7,592.8
Fares, charges and other income	-7,171.3
Change in reserves	-391.3
Amount met by council taxpayers	1,581.9

Changes in spending (£ million)	2025-26
2024-25 council tax requirement	1,490.3
Net change in service expenditure and income	348.8
Change in use of reserves	53.4
Government grants and retained	-327.2

business rates	
Other changes	16.6
Amount met by council taxpayers	1,581.9

Detailed budget by service area

The table below compares the GLA Group's planned expenditure on policing, fire and other services (including transport) in 2025-26 with 2024-25.

The GLA's planned gross expenditure is higher this year. This reflects the additional resources the Mayor is investing in policing and the fire brigade. Overall, the council tax requirement has also increased for this reason. There has been a 2 per cent increase in London's residential property taxbase.

Find out more about our budget at: www.london.gov.uk/budget.

Summary of Spending and Income (£ million)	Police (MOPAC)		Fire (LFC)		Other Services (incl. GLA, TfL, LLDC and OPDC)		GLA Group Total	
	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26
(figures may not sum exactly due to rounding)								
Gross expenditure	4,797.2	5,051.6	579.2	628.6	12,104.1	12,281.4	17,480.5	17,961.6
Government grants and business rates	-3,274.3	-3,530.1	-293.8	-330.6	-3,865.1	-3,815.3	-7,433.2	-7,676.0
Other income (incl. fares and charges)	-403.6	-398.8	-54.5	-52.7	-7,672.2	-7,860.9	-8,130.3	-8,312.4
Net expenditure	1,119.3	1,122.7	230.9	245.3	566.8	605.2	1,917.0	1,973.2
Change to level of reserves	-155.6	-94.3	-19.5	-13.5	-251.6	-283.5	-426.7	-391.3
Council tax requirement (income)	963.7	1,028.4	211.4	231.8	315.2	321.7	1,490.3	1,581.9