

Mayor’s Background Statement in support of his Draft Consolidated Budget for 2022-23

PART 1

Summary

This report presents the Mayor's Draft Budget proposals for the Greater London Authority (GLA) and its functional bodies for the next financial year.

1 Introduction

1.1 Part 1 of the Mayor’s Draft Consolidated Budget sets out the Mayor’s approach to budget decision making, his decisions in regard to council tax and his budget proposals for each of the functional bodies. It is important to note that, at the time of publication, the government had not yet announced the final local government and police finance settlements for 2022-23 and their associated final council tax referendum excessiveness principles for the GLA for 2022-23 (which require House of Commons approval)¹. The GLA is also awaiting the taxbase forecasts from the 33 London billing authorities for business rates and council tax income for 2022-23 alongside their estimated outturn data for 2021-22, and other government announcements, including its proposals to support TfL, that will impact the funds available. Full details of these matters are set out in Part 2, Appendix I of this draft budget.

2 Consultation process and responses

2.1 In addition to consulting the Assembly and the functional bodies, in preparing his draft budget the Mayor may consult others as appear to him appropriate. The Mayor issued draft component budget proposals to each constituent body² for consultation and they were invited to respond. The budget consultation paper³, issued on 22 December 2021, has been widely circulated to each constituent body, the leaders (or elected mayors) and chief finance officers of London borough councils and the Common Council of the City of London, London Councils and a range of business representative organisations and business improvement districts. It was also placed on the Greater London Authority website, enabling members of the public to submit comments. A separate budget engagement process is also being undertaken through Talk London and the results will be reported in the Mayor’s final draft budget.

¹ This draft consolidated budget document has been prepared by reference to the provisional local government finance settlement 2022-23; the provisional police settlement 2022-23 and the draft council tax excessiveness principles for 2022-23 published by the government on 16 December 2021.

² These are the GLA – Mayor and Assembly – and the five functional bodies: the London Fire Commissioner (LFC), the Mayor’s Office for Policing & Crime (MOPAC), the London Legacy Development Corporation (LLDC), the Old Oak & Park Royal Development Corporation (OPDC) and Transport for London (TfL).

³ The GLA Group Budget Proposals and Precepts 2022-23 Consultation Document

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- 2.2 In order to enable meaningful engagement, the consultation budget could not be published until the government had announced the provisional local government and police finance settlements, which it did on 16 December, 11 days later than recommended by the Hudson Review. The consequence of this is that the deadline for responses to the consultation budget was 18 January, the day this document has to be published for the Assembly’s meeting on 26 January. Accordingly, responses from stakeholders to the consultation budget, including from the Assembly’s Budget and Performance Committee, will be taken into account in the final draft budget, published in February. A summary of the responses received will be made available to Assembly Members.

3 The Mayor's approach to decision making

- 3.1 The Mayor has a number of statutory functions that must be fulfilled on behalf of Londoners and reflected in a financially balanced budget. He has a duty to create strategies for the capital covering: arts, culture and sport; business and economy; environment; fire; health and health inequalities; housing; planning; policing and crime; and transport.
- 3.2 The Mayor also has a number of discretionary functions, in particular a general power to do anything to further the principal purposes of the Authority, i.e. promoting economic development and wealth creation, social development and the improvement of the environment in Greater London. In the exercise of his functions, the Mayor also has to have due regard to his obligations under the public sector equality duty under the Equality Act 2010, including the need to eliminate discrimination, harassment and victimisation, and to promote equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, sex, disability, age, sexual orientation, religion or belief, gender reassignment, pregnancy or maternity), and those who do not.
- 3.3 To help fulfil these functions and responsibilities, but subject to the information available on future funding arrangements and revenues from key income sources, the budget development process is a key element of the planning framework and has an important purpose of ensuring there are sound medium term financial plans within which all Mayoral priorities and objectives are adequately funded, while recognising areas of risk and uncertainty will always exist. This means ensuring that the estimates of income and expenditure (including appropriate consideration of the effects of inflation), government funding, retained business rates and council tax are soundly based, with appropriate and sufficient reserves, paying due regard to professional and statutory guidance. This is reinforced by the Local Government Act 2003 which requires the Authority’s and the functional bodies’ Chief Finance Officers to report on the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the proposed financial reserves.
- 3.4 A primary aim of the budget process is to provide a financially balanced budget, as a basis for an efficient and effective use of available resources. The aim is to secure a fair and reasonable balance between the discharge of obligatory and discretionary responsibilities for the provision of services and the financial burden upon those required to finance the net cost. This budget is set in the context of additional expenditure pressures, much reduced income for TfL from fares and ongoing uncertainty regarding council tax and business rates income due to the ongoing COVID-19 pandemic and decisions to be made by the government.
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3.5 This approach and the impact of the pandemic was reflected in the Mayor’s guidance for the preparation of budget submissions for 2022-23 and future plans, issued to the GLA Group in July 2021. It has also been supplemented through a series of meetings with the functional bodies and GLA officers to ensure the guidance remains valid and responsive to emerging needs and changing circumstances. The functional bodies and the Assembly’s Budget and Performance Committee have also played a major role in the preparation and scrutiny of budget proposals.

4 Budget proposals

- 4.1 Revenue budget proposals and funding for each “constituent body” (the Mayor, Assembly and five functional bodies) within the GLA Group are presented in organisational terms in Sections 2 to 8 of Part 2. The GLA (Mayor and Assembly constituent) proposals are shown first and the remainder are presented in order of magnitude of their council tax requirement. Section 9 of Part 2 sets out the proposed Capital Strategy for the GLA Group, including the statutory draft capital spending plan. The individual capital spending plans, capital financing budgets and borrowing limits as well as the revenue budgets at subjective level are set out in Appendices A to F of Part 2. Appendix G of Part 2 provides a summary of the Group’s savings and collaboration activities. Appendices H and I of Part 2 address the medium-term financial outlook for the GLA Group and funding assumptions underpinning the budget proposals.
- 4.2 This Budget however is being prepared towards the end of the second year of the COVID-19 pandemic. Over sixteen thousand Londoners have died as a result of COVID-19 and thousands more have lost their jobs; many businesses continue to experience significant trading challenges and the government is reducing the amount of support available to them via business rates reliefs; and many Londoners’ day-to-day activities and, indeed, lives now significantly differ from pre-pandemic times. The Mayor’s key objective in this budget is to support London’s recovery from the COVID-19 pandemic and the proposals contained within it address the Mayor’s five priorities:
- keeping Londoners safe
 - London’s recovery from COVID-19
 - tackling the climate emergency
 - building affordable homes
 - providing opportunities for young Londoners.
- 4.3 All proposals are subject to change in the final draft budget, given the uncertainty as to impact of the taxbase forecasts from the 33 London billing authorities (the 32 London boroughs plus the City of London Corporation) for business rates and council tax income for 2022-23 and their estimated outturn data for 2021-22, plus the information still awaited from the government on compensation for 2020-21 irrecoverable income losses and payments in lieu of an inflationary increase in business rates and the TfL funding settlement.
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- 4.4 As is explained in Part 2 of this draft consolidated budget, subject to the billing authority forecasts and taxbase data due to be received by the end of January and the impact of the final local government finance settlement, there is a probability that the Mayor will be able to allocate additional sums in retained business rates in his final draft budget over and above those allocated in this draft budget although the precise amounts cannot yet be determined with certainty at this time.
- 4.5 Firstly, following the Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Act 2021 receiving Royal Assent on 15 December the majority if not all of the £258.8 million currently held as a provision in the billing authority repayment reserve set aside to meet the GLA’s share of the cost of potential refunds for COVID-19 related business rates appeals may now be able to be released instead and applied for expenditure within the Mayor’s budget. This is because the legislation ruled such challenges as illegal. The government did not announce the allocation of its £1.5 billion associated COVID-19 Additional Relief Fund to ratepayers until 15 December as it clearly considered it would not be appropriate to take such measures until the legislation had received Royal Assent. Having regard to that legislation, and subject to the receipt and analysis of the billing authority forecast outturn data for 2021-22, the Mayor is also similarly now expected to be in a position to release the sums provided for these pandemic-related valuation risks.
- 4.6 Secondly the government confirmed in the provisional local government finance settlement that the planned reset of business rates growth – which was originally scheduled to take place in 2019-20 – would be deferred again for at least a further year. The Mayor’s current business rates allocations as set out in this draft budget – which align to his budget guidance assumptions – assume no business rates growth as they are predicated on the assumption that there would be a reset and that the impact of the pandemic – including ratepayer valuation appeals – would mean that business rates growth seen prior to the pandemic would not be sustained. Until the GLA receives the billing authority forecasts for 2022-23 at the end of January the Mayor cannot be certain what the level of growth, if any, will be available. It should be recognised, however, there is a likelihood that additional sums in business rates growth may be available to be released in his final draft budget depending on these billing authority estimates. In addition, depending on the final inflation measure applied in the final local government finance settlement the GLA may also benefit from a higher level of section 31 grant from the compensation for the freezing of the National Non-Domestic Rating multiplier in 2022-23.
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4.7 The Mayor will have a number of factors to take into account before he makes any decisions on the allocation of any additional funding which is now either expected to be or becomes available. At the time of writing this draft consolidated budget there is no TfL financial settlement beyond 4 February 2022. Further, it should be stressed that the sums that are likely to become available are one-off, either as a result of the release of one-off reserves, one-off funding allocations from the government or because the business rates reset, whenever implemented, is likely to remove most, if not all, of the GLA’s share of London’s business rates growth. Yet, the pressures the Group faces are largely ongoing. Finally, inflation poses an immediate pressure across the Group and existing provision for both pay and non-pay inflation will need to be kept under review. Therefore, at this stage of the budget process the Mayor is not proposing to set out in detail how he will allocate any such additional sums but he will set out his proposals in his final draft budget once the statutory returns from the billing authorities are analysed and outstanding government decisions are made, particularly TfL’s financial settlement. However, the Mayor can confirm he is proposing to set aside £216.9m (83.8%) of the £258.8m of 2021-22 business rates receipts currently held in the Billing Authority Repayment Reserve (BARR) to a centrally held reserve, the Transport services funding reserve, which will be allocated towards the costs in future years of implementing infrastructure and supporting measures for a potential scheme to improve environmental conditions for Londoners.

GLA: Mayor of London

4.8 The Mayoral component budget for the GLA for 2022-23 sets out how the Mayor will continue to deliver on the plans and priorities developed over the last five and a half years since he took office, one year since his re-election and also how he will respond to the significant challenges arising as London recovers from the economic, social, health and equality impacts of the COVID-19 pandemic.

4.9 The GLA has maintained its focus on London’s recovery, including the nine Recovery Missions developed through the London Recovery Board to help London’s recovery from the COVID-19 pandemic and its economic, health and social impacts:

- A Green New Deal – to tackle the climate and ecological emergencies and improve air quality by doubling the size of London's green economy by 2030 to accelerate job creation for all
- A Robust Safety Net – by 2025, every Londoner is able to access the support they need to prevent financial hardship
- High Streets for All – to deliver enhanced public spaces and exciting new uses for underused high street buildings in every borough by 2025, working with London’s diverse communities
- A New Deal for Young People – by 2024 all young people in need are entitled to a personal mentor and all young Londoners have access to quality local youth activities
- Helping Londoners into Good Work – to support Londoners into good jobs with a focus on sectors key to London’s recovery
- Mental Health and Wellbeing – by 2025 London will have a quarter of a million wellbeing ambassadors, supporting Londoners where they live, work and play
- Digital Access for All – every Londoner to have access to good connectivity, basic digital skills and the device or support they need to be online by 2025

- Healthy Food, Healthy Weight – by 2025 every Londoner lives in a healthy food neighbourhood
 - Building Strong Communities – by 2025, all Londoners will have access to a community hub ensuring they can volunteer, get support and build strong community networks.
- 4.10 In addition, the GLA budget also directs investment into Recovery Foundations that underpin the GLA’s contribution to London’s recovery. These include the Mayor’s continued works to lay the foundations to address London’s housing crisis. The GLA is currently on track to achieve 116,000 affordable homes starts within London by 2023 and an additional 35,000 affordable homes starts by 2026.

GLA: London Assembly

- 4.11 The component budget for the Assembly reflects its proposed staffing establishment, approved levels of Member and group support, and approved policies. The Assembly’s net revenue expenditure in 2022-23 is £8.0 million and its financing requirement is £7.8 million. The Assembly’s council tax requirement – net of its increased share of retained business rates – is £2.7 million.

Mayor’s Office for Policing and Crime (MOPAC)

- 4.12 The component budget for the Mayor’s Office for Policing and Crime includes the functions of the Metropolitan Police Service (MPS).
- 4.13 On 16 November 2021, the Mayor published his draft Police and Crime Plan for London for consultation with Londoners, partners and victims of crime.
- 4.14 The draft Plan sets out the Mayor’s commitment to ensure London’s police service has the resources it needs to put more officers on the streets to suppress violence, including violence against women and girls, and to respond to the demands and pressures of policing a capital city. The Plan also outlines the action the Mayor is taking to continue to hold the MPS to account, ensuring all Londoners have trust and confidence in their police force.
- 4.15 Figures show that violence was falling in London before the pandemic, and over the past year knife crime, youth violence and gun crime have come down further. Despite a decline in overall homicides, the number of teenage homicides in London increased during 2021. Continuing to drive down crime and prevent violence and the loss of young lives is at the heart of the Mayor’s priorities for this term.
- 4.16 The four key themes of the draft Plan are:
- reducing and preventing violence
 - increasing trust and confidence
 - better supporting victims
 - protecting people from being exploited or harmed.
- 4.17 The consultation on the draft Police and Crime Plan will run until 21 January 2022, with the findings informing the final Plan which will be published by the end of the financial year 2021-22.
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- 4.18 In November 2020 the Mayor published his Action Plan to improve trust and confidence in the MPS and to address community concerns about disproportionality in the use of certain police powers affecting Black Londoners. The Mayor has committed, as part of the action plan, to invest £1.7 million each year for a three-year period from 2021-22 to 2023-24 to develop greater community involvement in police officer training and in the recruitment and progression of Black officers in the MPS. The MOPAC budget for 2022-23 therefore incorporates £1.7 million of activity in relation to this Action Plan.
- 4.19 The provisional police settlement confirmed that the government has ignored calls by the Commissioner and the Mayor for London to be allocated 6,000 of the additional 20,000 officers nationally. London has been allocated 1,825 officers in 2022-23 which delivers 4,557 officers in total.
- 4.20 The Mayor's top priority continues to be keeping Londoners safe and the draft budget has been produced to support this aim. The budget includes a transfer of approximately £30 million from reserves in 2022-23, as well as in 2023-24 and 2024-25 to provide funding for the additional 1,000 police officers which the Mayor provided upfront funding for in 2019-20, to ensure that police officer numbers can be maintained over the medium-term. The remainder of the annual funding required for these additional officers is provided through council tax on an ongoing basis.
- 4.21 The Violence Reduction Unit (“VRU”), hosted by MOPAC, is tackling violence through a programme of investment, partnership with public sector organisations, policy advocacy, developing research and data, and critically, putting London communities and young people at the heart of its preventative and public health approach. Funding for the VRU includes ongoing Mayoral funding of £8.5 million and an allocation of £1.6 million from the London Crime Prevention Fund (LCPF). Over the last three years, the Home Office has allocated £7 million of grant funding to the London VRU and the budget assumes the VRU will continue to receive this level of funding in future years.
- 4.22 The Mayor is proposing a £10 increase in the Band D police element of his precept in 2022-23, applicable in the 32 London boroughs which comprise the Metropolitan Police District⁴. This is in line with the government’s expectations; in 2017-18 the government reduced MOPAC funding because the expected rise had not been implemented for 2016-17 by the previous Mayor. The Mayor considers this increase is necessary in order to ensure that the MPS and MOPAC are adequately funded in 2022-23 in light of the grant levels made available by the Home Office.

London Fire Commissioner (LFC)

- 4.23 The London Fire Commissioner (LFC) is responsible for fire and rescue services in London through the London Fire Brigade (LFB).
- 4.24 LFC's London Safety Plan sets out how LFC will contribute to making London the safest global city. In summary, the Plan's key priorities are to:
- use resources in a flexible and efficient way, arriving at incidents as quickly as the Fire Brigade can

⁴ This is the area of Greater London excluding the area of the City of London. The City of London Corporation funds the City of London Police.

- develop and train staff to their full potential, at the same time transforming the London Fire Brigade to ensure it is an employer of choice and that staff have the opportunity to influence how the Brigade works
 - plan and prepare for emergencies that may happen and making a high quality, effective and resilient response to them.
- 4.25 The publication of the Grenfell Tower Inquiry stage 1 report in October 2019 and Her Majesty’s Inspectorate of Constabulary and Fire and Rescue Service’s (HMICFRS) inspection in December 2019, set out a number of recommendations requiring urgent action from the LFC. LFC has now completed 23 of the 29 recommendations aimed at LFC or emergency services more widely. Three are scheduled to be completed by the end of this financial year, leaving only three outstanding.
- 4.26 Following the Grenfell Tower fire, the Mayor provided additional funding to the LFC. This additional funding has supported the purchase of new smoke hoods, drones, better personal protective equipment and new aerial appliances. The LFC budget continues to reflect the need to ensure sustainability for the fire and rescue service in the longer term, including the impact of inflationary pressures.
- 4.27 Accordingly, the Mayor is proposing to increase the fire element of his precept by £1.93 (Band D) in 2022-23 – equivalent to the monetary impact of a 1.99 per cent increase on the 2021-22 non police precept – which is the maximum allowed before a referendum is required under the draft council tax referendum principles for 2022-23 for equivalent fire and rescue authorities in England.

Transport for London (TfL)

- 4.28 TfL is responsible for the planning, delivery, and day-to-day operation of the Capital's public transport system, including London's buses, London Underground and Overground, TfL Rail, the DLR, London Trams and London River Services. It is also responsible for managing road user charging schemes (the Congestion Charge, ULEZ and LEZ), maintaining London's main roads and traffic lights, regulating taxis and private hire vehicles, making London's transport more accessible and promoting walking and cycling initiatives.
- 4.29 The ongoing coronavirus pandemic continues to create significant uncertainty for a number of industries across the country. For TfL specifically, it has decimated fares income, with the return of passengers and economic recovery remaining a key challenge to future sustainability. Despite the easing of coronavirus-related legal restrictions in England, the pandemic has altered the behaviours of the travelling public which has made it increasingly challenging for TfL to extrapolate future travel patterns.
- 4.30 In the Spending Review, the government stated that for the period 2022-23 to 2024-25 TfL will not receive any additional capital funding, instead it will only retain the £1 billion element of retained business rates the GLA previously received for this purpose. The government also confirmed they do not intend to provide any further revenue support beyond March 2023 to TfL.
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- 4.31 For 2022-23, TfL is able to balance the budget but requires extraordinary central government support of over £1 billion to be able to do so. For the years 2023-24 and 2024-25, TfL anticipates being able to balance its budget through new revenue sources provided by the Mayor, as required by the government, but it still requires significant interventions on capital investment and service levels. TfL will continue to develop its financial plans, informed by continued funding discussions with the government in the run up to the publication of the Mayor's final draft budget in February 2022.
- 4.32 The Mayor’s Budget provides funding for TfL to partially address the significant losses it is experiencing in fares income arising from the COVID-19 pandemic. The Mayor is proposing to increase his precept by £20 (Band D) to raise approximately £60 million per annum for TfL as part of the funding he has been required to raise by the government following the significant reduction in passenger journeys and associated fares income since the start of the COVID-19 pandemic.
- 4.33 However, even with this additional funding, TfL will still have to make significant cuts to bus and tube services and is planning its services on the basis of “managed decline”. Running services on a “managed decline” basis includes:
- a 9 per cent reduction in Tube service
 - around an 18 per cent reduction in bus services
 - no new cycleway enhancement schemes will start
 - acceptance that there will be more closures and restrictions on TfL’s road network.
- 4.34 Clearly, this is not a favoured option. However, the Mayor believes it is the only option available unless, and until, the government agrees a long-term funding solution for TfL that recognises the impact of the COVID-19 pandemic. The government have extended TfL’s funding agreement until 4 February 2022 and negotiations are ongoing.

London Legacy Development Corporation (LLDC)

- 4.35 The London Legacy Development Corporation (LLDC) is a Mayoral Development Corporation (MDC), responsible for promoting and delivering physical, social, economic and environmental regeneration in Queen Elizabeth Olympic Park (QEOP) and surrounding area. In particular, LLDC aims to maximise the legacy of the London 2012 Olympic and Paralympic Games, by securing high-quality sustainable development and investment, ensuring the long-term success of the facilities and assets within its direct control and supporting and promoting the aim of increased social mobility in surrounding communities.

- 4.36 Since the London 2012 Games, LLDC has delivered the transformation of the Park and venues from their Olympic to their legacy configuration. LLDC also works in partnership to bring forward regeneration schemes and housing to further the transformation of east London enabled by the London 2012 Games. Two such housing schemes are under contract and in progress, one at Chobham Manor and one at East Wick and Sweetwater. Further work includes delivering East Bank, a new cultural and educational centre, new social and transport infrastructure, and working with the host boroughs and other partners to create economic opportunity and support local people and businesses, as they seek to access it.

Old Oak and Park Royal Development Corporation (OPDC)

- 4.37 The OPDC is an MDC and is responsible for delivering the strategic regeneration opportunity provided by 134 hectares of brownfield land close to central London, creating an exemplar sustainable and inclusive community. The new Old Oak Common station will be the UK’s largest ever sub-surface station and will be the largest station to be built in the country in a century. The budget has been prepared in the context of OPDC moving closer towards delivering the 'Western Lands' regeneration strategy, which will see a new mixed-use urban centre of around 9,000 homes, predominantly on land in public ownership, where key sites are owned by the Department for Transport and Network Rail.

Future years

- 4.38 The Mayor has issued further details of the prospects for the GLA Group for future years (Appendices H and I of Part 2 the budget). It is important to recognise the caveats and limitations set out in this analysis.

5 The impact on local taxpayers and council tax referendum issues

- 5.1 In determining the proposed spending plans across the GLA Group, where the statutory gross capital and revenue expenditure for 2022-23 will exceed £19.1 billion, the key priorities have been to help ensure Londoners’ safety by increasing the police and non-police elements of the GLA’s council tax precept to provide additional funding for policing and fire and rescue services, deliver a sustainable budget for TfL and set out how the GLA Group collectively will respond to the challenges faced by the capital, its residents and businesses following the COVID-19 pandemic.
- 5.2 The Mayor’s budget requires a Band D council tax of £395.59 for 2022-23 in the 32 London boroughs within the Metropolitan Police District – £31.93 per annum or £2.66 per month higher than in 2021-22. Of this increase, £10 will be applied for policing, £20 to help maintain essential transport services across the capital in the face of significant reductions in fares income since the start of the pandemic and £1.93 for the London Fire Commissioner. The resulting non-police precept paid by council taxpayers in the area of the Common Council of the City of London will be £118.46 (£96.53 in 2021-22). These Band D amounts are estimated to generate a total of £1,204.9 million in council tax revenues across London, based on assumed council taxbase forecasts. This estimate will be revised in the Mayor’s final draft budget once all 33 London billing authorities have confirmed their actual council taxbases for 2022-23 at the end of January 2022.

- 5.3 Part 3 sets out details of the provisions for the holding of council tax referendums if increases in council tax are considered excessive under principles for the forthcoming financial year published by the government and approved by the House of Commons. The draft excessiveness principles for 2022-23 published by the government on 16 December 2021, found [here](#)⁵, state that that an increase of 2 per cent or more (equivalent to a maximum of £1.93) in the Band D unadjusted basic amount (i.e. the non-police precept payable by taxpayers in the City of London) and/or an increase of more than £11.93 in the adjusted precept including a £10 element for policing (payable by taxpayers elsewhere in Greater London) would be deemed “excessive” and would therefore require a referendum of London’s council tax payers to be held on 5 May 2022. The Mayor has written to the Secretary of State for Transport requesting that both the unadjusted and adjusted council tax limits at Band D be increased by £20 in equivalent monetary terms in order to help maintain essential transport services across London. It is assumed therefore in this draft consolidated budget, that the government will, as part of the final local government finance settlement, announce modified referendum principles for the GLA (both for the adjusted and unadjusted basic amounts) that are consistent with the proposed increases set out in paragraph 5.2 above. Any final principles proposed by the Secretary of State for Levelling Up, Housing and Communities will be subject to formal approval through a vote in the House of Commons next month.
- 5.4 The Mayor will make a formal determination regarding his final draft budget proposals’ potential excessiveness once the government’s final excessiveness principles are announced for the GLA, and this will be set out in his final draft budget proposals. It is expected that the final council tax referendum principles for 2022-23 will have been confirmed by the House of Commons prior to the date of the Assembly’s final budget meeting, on 24 February 2022.

6 Recommendations concerning the draft consolidated council tax requirement

- 6.1 The Mayor is required to determine component and consolidated council tax requirements for 2022-23 and it is these that the Assembly has the power to amend. The individual Mayor, Assembly and functional body component council tax requirements are aggregated to form the consolidated council tax requirement for the GLA Group. This requirement forms the GLA Group precept which is part of the council tax bill for households across Greater London collected by the 33 “billing authorities” (the 32 boroughs and City of London Corporation).
- 6.2 In considering the Mayor’s budget proposals and any amendments they wish to make at this stage, Assembly Members must also consider the need to secure a financially balanced budget and achieve a balance between the statutory and discretionary responsibilities for the provision of services and the burden upon those required to finance the net cost.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1041525/CT_Ref_Principles_2022-23.pdf

- 6.3 In commending the budget proposals to the Assembly, the Mayor believes that Londoners recognise and support his plans to increase the non-police and police elements of council tax to help increase police officer numbers, help maintain essential travel services across London and continue to provide the fire service with the resources it needs, in order to protect Londoners and this should not trigger a referendum.
- 6.4 The Mayor is satisfied that he has weighed respective interests fairly and that his proposed increase in the council tax will help the front-line service delivery of his statutory and discretionary responsibilities. The Mayor believes that the proposals will make a significant contribution towards keeping Londoners safe, improving Londoners' quality of life and supporting London's economy.
- 6.5 On the basis of the information set out in this statement and accompanying documents, it is recommended that the Assembly approves, without amendment, the Mayor's Draft Consolidated Budget for 2022-23 and the consolidated council tax requirement for the GLA (Mayor and Assembly) and the functional bodies (GLA Group) of £1,204,881,580 as contained in Annex A. In the individual tables for each constituent body the numbers are rounded to the nearest pound except for the resulting statutory council tax requirement which is reported to the nearest pence.
- 6.6 The council tax requirement is calculated after applying the GLA's share of the estimated net surplus or deficit for council tax on the collection funds of the 33 billing authorities as at 31 March 2021. This is forecast at this stage to be a deficit of £9,492,098. The estimated council tax collection fund deficits or surpluses for 2021-22 will be confirmed by the 33 London billing authorities at the end of January and this £9.5 million figure will be updated to reflect these returns in the final draft budget.
- 6.7 The Mayor's draft consolidated council tax requirement is comprised as follows:

| Constituent body | Component council tax requirement |
|---|--|
| Mayor of London | £127,250,226.39 |
| London Assembly | £2,654,860.84 |
| Mayor's Office for Policing and Crime | £843,393,287.35 |
| London Fire Commissioner | £179,431,973.71 |
| Transport for London | £52,151,231.82 |
| London Legacy Development Corporation | £0.00 |
| Old Oak and Park Royal Development Corporation | £0.00 |
| Total Consolidated Council Tax Requirement | £1,204,881,580.11 |

Annex A

Draft consolidated component and consolidated council tax requirements 2022-23

Greater London Authority: Mayor of London (“Mayor”) draft component budget

| Line | Sum | Description |
|------|------------------------|---|
| 1 | £1,659,176,822 | estimated expenditure of the Mayor for the year calculated in accordance with s85(4)(a) of the GLA Act |
| 2 | £1,000,000 | estimated allowance for contingencies for the Mayor under s85(4)(b) of the GLA Act |
| 3 | £0 | estimated reserves to be raised for meeting future expenditure of the Mayor under s85(4)(c) of the GLA Act |
| 4 | £116,247,834 | estimate of reserves to meet a revenue account deficit of the Mayor under s85(4)(d) of the GLA Act reflecting its allocated share of any collection fund deficit for retained business rates and/or council tax |
| 5 | £1,776,424,656 | aggregate of the amounts for the items set out in s85(4) of the GLA Act for the Mayor (lines (1) + (2) + (3) + (4) above) |
| 6 | -£233,857,238 | estimate of the Mayor’s income not in respect of government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act |
| 7 | -£406,862,762 | estimate of the Mayor’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act |
| 8 | £0 | estimate of the Mayor’s income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act |
| 9 | -£862,960,000 | estimate of the Mayor’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act |
| 10 | £0 | estimate of the Mayor’s share of any net council tax and/or business rates collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act |
| 11 | -£1,503,680,000 | aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (6) + (7) + (8) + (9) + (10)) |
| 12 | -£145,494,430 | estimate of Mayor’s reserves to be used in meeting amounts in line 5 above under s85(5)(b) of the GLA Act |
| 13 | -£1,649,174,430 | aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the Mayor (lines (11) + (12) above) |
| 14 | £127,250,226.39 | the component council tax requirement for the Mayor (being the amount by which the aggregate at (5) above exceeds the aggregate at (13) above calculated in accordance with section 85(6) of the GLA Act) |

The draft component council tax requirement for the Mayor for 2022-23 is £127,250,226.39

Greater London Authority: London Assembly (“Assembly”) draft component budget

| Line | Sum | Description |
|-------------|----------------------|---|
| 15 | £8,000,000 | estimated expenditure of the Assembly for the year calculated in accordance with s85(4)(a) of the GLA Act |
| 16 | £0 | estimated allowance for contingencies for the Assembly under s85(4)(b) of the GLA Act |
| 17 | £0 | estimated reserves to be raised for meeting future expenditure of the Assembly under s85(4)(c) of the GLA Act |
| 18 | £24,584 | estimate of reserves to meet a revenue account deficit of the Assembly under s85(4)(d) of the GLA Act including its allocated share of any collection fund deficit for retained business rates and/or council tax |
| 19 | £8,024,584 | aggregate of the amounts for the items set out in s85(4) of the GLA Act for the Assembly (lines (15) + (16) + (17) + (18) above) |
| 20 | £0 | estimate of the Assembly’s income not in respect of government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act |
| 21 | £0 | estimate of the Assembly’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act |
| 22 | £0 | estimate of the Assembly’s income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act |
| 23 | -£5,122,000 | estimate of the Assembly’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act |
| 24 | £0 | estimate of the Assembly’s share of any net council tax and/or business rates collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act |
| 25 | -£5,122,000 | aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (line (20) + (21) + (22) + (23) + (24)) |
| 26 | -£247,723 | estimate of Assembly’s reserves to be used in meeting amounts in lines 19 above under s85(5)(b) of the GLA Act |
| 27 | -£5,369,723 | aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the Assembly (lines (25) + (26) above) |
| 28 | £2,654,860.84 | the component council tax requirement for the Assembly (being the amount by which the aggregate at (19) above exceeds the aggregate at (27) above calculated in accordance with section 85(6) of the GLA Act) |

The draft component council tax requirement for the Assembly for 2022-23 is £2,654,860.84

Mayor’s Office for Policing and Crime (“MOPAC”) draft component budget

| Line | Sum | Description |
|-------------|------------------------|---|
| 29 | £4,235,668,000 | estimated expenditure of the MOPAC calculated in accordance with s85(4)(a) of the GLA Act |
| 30 | £0 | estimated allowance for contingencies for the MOPAC under s85(4)(b) of the GLA Act |
| 31 | £0 | estimated reserves to be raised for meeting future expenditure of the MOPAC under s85(4)(c) of the GLA Act |
| 32 | £7,207,281 | estimate of reserves to meet a revenue account deficit of the MOPAC under s85(4)(d) of the GLA Act including its allocated share of any collection fund deficit for retained business rates and/or council tax |
| 33 | £4,242,875,281 | aggregate of the amounts for the items set out in s85(4) of the GLA Act for the MOPAC (lines (29) + (30) +(31) + (32) above) |
| 34 | -£303,359,000 | estimate of the MOPAC’s income not in respect of government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act |
| 35 | -£655,700,000 | estimate of the MOPAC’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act |
| 36 | -£2,278,400,000 | estimate of the MOPAC’s income in respect of general government grants (revenue support grant, core Home Office police grant and principal police formula grant) calculated in accordance with s85(5)(a) of the GLA Act |
| 37 | -£37,973,909 | estimate of the MOPAC’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act |
| 38 | £0 | estimate of MOPAC’s share of any net council tax and/or business rates collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act |
| 39 | -£3,275,432,909 | aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (34) + (35) + (36) + (37) +(38)) |
| 40 | -£124,049,084 | estimate of MOPAC’s reserves to be used in meeting amounts in line 33 above under s85(5)(b) of the GLA Act |
| 41 | -£3,399,481,993 | aggregate of the amounts for the items set out in section 85(5) of the GLA Act for the MOPAC (lines (39) + (40) above) |
| 42 | £843,393,287.35 | the component council tax requirement for MOPAC (being the amount by which the aggregate at (33) above exceeds the aggregate at (41) above calculated in accordance with section 85(6) of the GLA Act) |

The draft component council tax requirement for the MOPAC for 2022-23 is £843,393,287.35

London Fire Commissioner (“LFC”) draft component budget

| Line | Sum | Description |
|-------------|------------------------|--|
| 43 | £505,337,493 | estimated expenditure of LFC for the year calculated in accordance with s85(4)(a) of the GLA Act |
| 44 | £0 | estimated allowance for contingencies for LFC under s85(4)(b) of the GLA Act |
| 45 | £0 | estimated reserves to be raised for meeting future expenditure of LFC under s85(4)(c) of the GLA Act |
| 46 | £1,580,211 | estimate of reserves to meet a revenue account deficit of LFC under s85(4)(d) of the GLA Act including its allocated share of any collection fund deficit for retained business rates and/or council tax |
| 47 | £506,917,704 | aggregate of the amounts for the items set out in s85(4) of the GLA Act for LFC (lines (43) + (44) + (45) + (46) above) |
| 48 | -£46,773,000 | estimate of LFC’s income not in respect of government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act |
| 49 | -£33,927,000 | estimate of LFC’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act |
| 50 | £0 | estimate of LFC’s income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act |
| 51 | -£240,685,730 | estimate of LFC’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act |
| 52 | £0 | estimate of LFC’s share of any net council tax and/or business rates collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act |
| 53 | -£321,385,730 | aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (48) + (49) + (50) + (51) + (52)) |
| 54 | -£6,100,000 | estimate of LFC’s reserves to be used in meeting amounts in line 47 above under s85(5)(b) of the GLA Act |
| 55 | -£327,485,730 | aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LFC (lines (53) + (54) above) |
| 56 | £179,431,973.71 | the component council tax requirement for LFC (being the amount by which the aggregate at (47) above exceeds the aggregate at (55) above calculated in accordance with section 85(6) of the GLA Act) |

The draft component council tax requirement for LFC for 2022-23 is £179,431,973.71

Transport for London (“TfL”) draft component budget

| Line | Sum | Description |
|-------------|------------------------|--|
| 57 | £8,104,489,000 | estimated expenditure of TfL for the year calculated in accordance with s85(4)(a) of the GLA Act |
| 58 | £0 | estimated allowance for contingencies for TfL under s85(4)(b) of the GLA Act |
| 59 | £0 | estimated reserves to be raised for meeting future expenditure of TfL under s85(4)(c) of the GLA Act |
| 60 | £56,000 | estimate of reserves to meet a revenue account deficit of TfL under s85(4)(d) of the GLA Act including its allocated share of any collection fund deficit for retained business rates and/or council tax |
| 61 | £8,104,545,000 | aggregate of the amounts for the items set out in s85(4) of the GLA Act for the TfL (lines (57) + (58) + (59) + (60) above) |
| 62 | -£6,168,552,768 | estimate of TfL’s income not in respect of government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act |
| 63 | -£8,073,000 | estimate of TfL’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act |
| 64 | -£1,086,000,000 | estimate of TfL’s income in respect of general government grants (revenue support grant and GLA Transport General Grant) calculated in accordance with s85(5)(a) of the GLA Act |
| 65 | -£940,368,000 | estimate of TfL’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act |
| 66 | £0 | estimate of TfL’s share of any net council tax and/or business rates collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act |
| 67 | -£8,202,993,768 | aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act for TfL (lines (62) + (63) + (64) + (65) + (66) above) |
| 68 | £150,600,000 | estimate of TfL’s reserves to be used in meeting amounts in line 61 above under s85(5) (b) of the GLA Act |
| 69 | -£8,052,393,768 | aggregate of the amounts for the items set out in section 85(5) of the GLA Act (lines (67) + (68)) |
| 70 | £52,151,231.82 | the component council tax requirement for TfL (being the amount by which the aggregate at (61) above exceeds the aggregate at (69) above calculated in accordance with section 85(6) of the GLA Act) |

The draft component council tax requirement for TfL for 2022-23 is £52,151,231.82

London Legacy Development Corporation (“LLDC”) draft component budget

| Line | Sum | Description |
|-------------|---------------------|---|
| 71 | £61,500,000 | estimated expenditure of LLDC for the year calculated in accordance with s85(4)(a) of the GLA Act |
| 72 | £0 | estimated allowance for contingencies for LLDC under s85(4)(b) of the GLA Act |
| 73 | £0 | estimated reserves to be raised for meeting future expenditure of LLDC under s85(4)(c) of the GLA Act |
| 74 | £0 | estimate of reserves to meet a revenue account deficit of LLDC under s85(4)(d) of the GLA Act including its allocated share of any collection fund deficit for retained business rates and/or council tax |
| 75 | £61,500,000 | aggregate of the amounts for the items set out in s85(4) of the GLA Act for LLDC (lines (71) + (72) + (73) + (74) above) |
| 76 | -£28,800,000 | estimate of LLDC’s income not in respect of government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act |
| 77 | £0 | estimate of LLDC’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act |
| 78 | £0 | estimate of LLDC’s income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act |
| 79 | -£28,805,285 | estimate of LLDC’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act |
| 80 | £0 | estimate of LLDC’s share of any net council tax and/or business rates collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act |
| 81 | -£57,605,285 | aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (76) + (77) + (78) + (79) + (80)) |
| 82 | -£3,894,715 | estimate of LLDC’s reserves to be used in meeting amounts in line 75 above under s85(5)(b) of the GLA Act |
| 83 | -£61,500,000 | aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LLDC (lines (81) + (82) above) |
| 84 | £0.00 | the component council tax requirement for LLDC (being the amount by which the aggregate at (75) above exceeds the aggregate at (83) above calculated in accordance with section 85(6) of the GLA Act) |

The draft component council tax requirement for the LLDC for 2022-23 is £0 (£NIL)

Old Oak and Park Royal Development Corporation (“OPDC”) draft component budget

| Line | Sum | Description |
|-------------|--------------------|---|
| 85 | £7,500,000 | estimated expenditure of OPDC for the year calculated in accordance with s85(4)(a) of the GLA Act |
| 86 | £0 | estimated allowance for contingencies for OPDC under s85(4)(b) of the GLA Act |
| 87 | £0 | estimated reserves to be raised for meeting future expenditure of OPDC under s85(4)(c) of the GLA Act |
| 88 | £0 | estimate of reserves to meet a revenue account deficit of OPDC under s85(4)(d) of the GLA Act including its allocated share of any collection fund deficit for retained business rates and/or council tax |
| 89 | £7,500,000 | aggregate of the amounts for the items set out in s85(4) of the GLA Act for OPDC (lines (85) + (86) + (87) + (88) above) |
| 90 | -£747,113 | estimate of OPDC’s income not in respect of government grant, retained business rates or council tax precept calculated in accordance with s85(5)(a) of the GLA Act |
| 91 | £0 | estimate of OPDC’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act |
| 92 | £0 | estimate of OPDC’s income in respect of general government grants (revenue support grant) calculated in accordance with s85(5)(a) of the GLA Act |
| 93 | -£6,752,887 | estimate of OPDC’s income in respect of retained business rates including related section 31 grant income calculated in accordance with s85(5)(a) of the GLA Act |
| 94 | £0 | estimate of OPDC’s share of any net council tax and/or business rates collection fund surplus for the 33 London billing authorities calculated in accordance with s85(5)(a) of the GLA Act |
| 95 | -£7,500,000 | aggregate of the amounts for the items set out in section 85(5)(a) of the GLA Act (lines (90) + (91) + (92) + (93) + (94)) |
| 96 | £0 | estimate of OPDC’s reserves to be used in meeting amounts in line 89 above under s85(5)(b) of the GLA Act |
| 97 | -£7,500,000 | aggregate of the amounts for the items set out in section 85(5) of the GLA Act for OPDC (lines (95) + (96) above) |
| 98 | £0.00 | the component council tax requirement for OPDC (being the amount by which the aggregate at (89) above exceeds the aggregate at (97) above calculated in accordance with section 85(6) of the GLA Act) |

The draft component council tax requirement for the OPDC for 2022-23 is £0 (£NIL)

Greater London Authority (“GLA”) draft consolidated council tax requirement calculation incorporating the component council tax requirements for the Greater London Authority (Mayor), Greater London Authority (Assembly), the Mayor’s Office for Policing and Crime (MOPAC), the London Fire Commissioner (LFC), Transport for London (TfL), the London Legacy Development Corporation (LLDC) and the Old Oak and Park Royal Development Corporation (OPDC).

| Line | Sum | Description |
|-------------|--------------------------|--|
| 99 | £1,204,881,580.11 | the GLA’s consolidated council tax requirement (the sum of the amounts in lines (14) + (28) + (42) + (56) +(70) +(84) + (98) calculated in accordance with section 85(8) of the GLA Act) |

The draft consolidated council tax requirement for the GLA for 2022-23 is £1,204,881,580.11

Aggregate GLA Group budget for 2022-23

Estimated Expenditure

| £ | GLA Mayor | GLA Assembly | MOPAC | LFC | TfL | LLDC | OPDC | Total |
|--|-----------------------|-------------------|-----------------------|---------------------|-----------------------|--------------------|-------------------|------------------------|
| Estimated expenditure | £1,659,176,822 | £8,000,000 | £4,235,668,000 | £505,337,493 | £8,104,489,000 | £61,500,000 | £7,500,000 | £14,581,671,315 |
| Estimated allowance for contingencies | £1,000,000 | £0 | £0 | £0 | £0 | £0 | £0 | £1,000,000 |
| Estimated reserves to be raised for meeting future expenditure | £0 | £0 | £0 | £0 | £0 | £0 | £0 | £0 |
| Estimate of reserves to meet a revenue account deficit including forecast collection fund deficit for retained business rates and/or council tax | £116,247,834 | £24,584 | £7,207,281 | £1,580,211 | £56,000 | £0 | £0 | £125,115,909 |
| Estimated total expenditure | £1,776,424,656 | £8,024,584 | £4,242,875,281 | £506,917,704 | £8,104,545,000 | £61,500,000 | £7,500,000 | £14,707,787,224 |

| £ | GLA Mayor | GLA Assembly | MOPAC | LFC | TfL | LLDC | OPDC | Total |
|--|------------------------|----------------------|------------------------|------------------------|------------------------|---------------------|--------------------|--------------------------|
| Estimated total income before use of reserves | -£1,503,680,000 | -£5,122,000 | -£3,275,432,909 | -£321,385,730 | -£8,202,993,768 | -£57,605,285 | -£7,500,000 | -£13,373,719,693 |
| Estimate of reserves to be used | -£145,494,430 | -£247,723 | -£124,049,084 | -£6,100,000 | £150,600,000 | -£3,894,715 | £0 | -£129,185,951 |
| Estimated total income after use of reserves | -£1,649,174,430 | -£5,369,723 | -£3,399,481,993 | -£327,485,730 | -£8,052,393,768 | -£61,500,000 | -£7,500,000 | -£13,502,905,645 |
| Council tax requirement | £127,250,226.39 | £2,654,860.84 | £843,393,287.35 | £179,431,973.71 | £52,151,231.82 | £0.00 | £0.00 | £1,204,881,580.11 |
| COUNCIL TAXBASE | 3,051,564 | 3,051,564 | 3,043,313 | 3,051,564 | 3,051,564 | 3,051,564 | 3,051,564 | |
| BAND D COUNCIL TAX | £41.70 | £0.87 | £277.13 | £58.80 | £17.09 | £0.00 | £0.00 | £395.59 |