

Mayor's Background Statement in support of his Draft Consolidated Budget for 2023-24

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 2023-24 and their associated final council tax referendum excessiveness principles for the GLA for 2023-24 (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 2023-24 alongside their estimated outturn data for 2022-23, which 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 16 December 2022, 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.

¹ This draft consolidated budget document has been prepared by reference to the provisional local government finance settlement 2023-24 and the draft council tax excessiveness principles for 2023-24 published by the government on 19 December 2022, as well as the provisional police settlement published on 14 December 2022.

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 2023-24 Consultation Document

- 2.2 In order to allow enough time for meaningful engagement, the deadline for responses to the consultation budget was 13 January. There were a large number of responses to the consultation which were still being analysed at the date this draft budget was published. Accordingly, responses from stakeholders to the consultation budget, including from the Assembly's Budget and Performance Committee, will be considered prior to the publication of the final draft budget, due to be issued by 15 February. A summary of the responses received will be also 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. The budget, for the first time, also includes the concept of climate budgeting, setting out how the GLA Group's spending is linked to the Mayor's commitment to make London net zero by 2030.

- 3.5 This approach was reflected in the Mayor’s guidance for the preparation of budget submissions for 2023-24 and future plans, issued to the GLA Group in July 2022. 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

Summary of additional funding allocated in this draft budget

- 4.1 The proposed allocation in 2023-24 of the additional resources allocated in this draft budget, in addition to what was set out in the Consultation Budget, by project/activity and the proposed funding sources are summarised in the following tables.

Funding sources for additional income allocated in Draft Budget	2023-24 Recurring £m	2023-24 One-off £m
Council tax precept:		
Non-police precept increase for LFC from 1.99% to 2.99%	3.7	
Police precept increase from 1.99% to £15 (Band D)	29.3	
Additional income	33.0	
Increase in retained rates funding for 23-24 following provisional local government finance settlement estimated to be available for distribution	70.8	
Uplift in local government finance settlement for London policing	3.4	
Net increase in business rates income available for general purposes	74.2	
Additional uplift in MOPAC Grant funding in Police Settlement compared to consultation budget tables	1.7	
Services Grant 2023-24		20.5
Total additional income allocated	108.9	20.5
Total additional income allocated (Recurring + One-off)	129.4	

Application of additional uplift in 2023-24 compared to Consultation Budget

	£m
GLA: Mayor	
Funding for food poverty projects*	2.5
Funding for potential higher pay award	1.0
Total GLA: Mayor	3.5
GLA: Assembly	
Funding of two additional scrutiny officers	0.2
MOPAC (including MPS and VRU)	
Balancing the 2023-24 budget	5.1
500 additional PCSOs (maximum part-year cost)	21.8
Project Adder – Tackling County Lines	5.0
Additional call centre provision to support victims of crime	2.5
Strengthening public protection against Serial Predatory Offenders	5.0
Raising Standards within the MPS	11.7
Total MOPAC/Met Police	51.1
TfL	
Retention of inner London bus routes	33.0
Additional annual one million bus kilometres	6.0
Retain monthly and annual (paper) Travelcards	9.0
Accelerate cycle route schemes*	3.0
Provide additional cycle parking spaces*	1.6
Total TfL	52.6
LFC	
Funding for higher pay inflation	8.4
LLDC	
Funding for potential higher pay award	0.2
OPDC	
Funding for potential higher pay award	0.1
GLA Group (Mayoral Development Corporations)	
Additional uplift to MDC Reserve*	13.4
TOTAL ALLOCATED	129.4

Note 1. Figures may not sum exactly due to rounding.

Note 2. Items marked with an asterisk are budgeted to be one-off and are funded from the Services Grant.

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- 4.2 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. Appendix J provides the tables detailing measures currently included in the Climate Budgets of the constituent bodies, as well as tables detailing currently unfunded and unadopted additional measures that would support the Mayor’s ambition to achieve net zero by 2030. Appendix K sets out the remaining key dates in the 2023-24 budget timetable.
- 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 2023-24 and the surplus or deficits for 2022-23 compared to the budgeted forecasts.
- 4.4 As is explained in Part 2 of this draft consolidated budget, subject to these billing authority estimates, it is probable but not certain that the Mayor may be able to allocate additional one-off sums in retained business rates and council tax in his final draft budget over and above those provisionally allocated in this draft budget. However, the amounts cannot yet be determined with certainty at this time.
- 4.5 The provisional Local Government Finance Settlement confirmed an additional £3.4 million uplift in retained business rates funding for London policing in respect of prior year council tax freeze grants which the Mayor confirmed in the consultation budget he would passport to MOPAC on an ongoing basis. A further net £1.7 million uplift in Home Office grant funding was also confirmed in the provisional police settlement compared to the estimates used in the consultation budget. When combined these two items increase MOPAC’s funding by £5.1 million. The Consultation Budget document highlighted a 2023-24 budget gap of £5.9 million for MOPAC, so this additional funding has been allocated towards closing this gap.
- 4.6 The Consultation Budget document also estimated that an additional £110 million uplift in retained business rates income would become available to allocate which relates to the compensation provided to local authorities equating to the lost revenue arising from the government’s decision to freeze the business rates multiplier in 2023-24.
- 4.7 The GLA’s settlement funding baseline within the settlement comprises three elements – former revenue support grant primarily for fire services and GLA general grant and prior year council tax freeze grant, former grants rolled into retained business rates in 2013-14 including former DfT general grant for TfL (paid as GLA Transport grant under s101 of the GLA Act) and fire formula grant and the c£1 billion of TfL capital investment grant rolled in under the GLA’s business rates pilot since 2017-18.
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- 4.8 In the provisional Local Government Finance Settlement, this compensation was confirmed to be provided through a combination of both an increase to funding baselines for resources coming through retained business rates of approximately 3.7 per cent for typical local authorities, as well as approximately 6.4 per cent uplift for the assumed lost revenue arising from the freezing of the 2023-24 business rates multiplier referred to as ‘cap compensation’ – which when combined gives a total uplift of 10.1 per cent. The former revenue support grant element was uprated by 10.1 per cent via an uplift to the settlement funding baseline. The c£1 billion of former TfL capital investment grant forming part of the GLA’s pilot (the third element above) has, however, been frozen by the government at the same level as in 2022-23. Primarily as a result of this latter decision not to uprate this capital funding by the standard 3.7 per cent baseline funding increase the actual uplift is now just under £36 million lower than the £110 million consultation budget assumption. As a result the actual additional uplift – over and above the allocations made in the consultation budget – is now £74.2 million. After deducting the £3.4 million uplift for London policing stated above which the Mayor had already committed to allocate to MOPAC the remaining sum available for distribution is £70.8 million.
- 4.9 In this Draft Budget, the Mayor has provisionally allocated this £70.8 million uplift in retained business rates income in 2023-24 as follows:
- £39 million has been allocated to TfL to provide an ongoing funding source for the retention of inner London bus routes and a further annual one million kilometres of additional bus journeys. A further £9 million has been allocated to retain monthly and annual paper Travelcards – this decision does not affect travelcards held on Oyster cards which were always intended to continue
 - £16.7 million has been allocated to MOPAC to raise standards within the Metropolitan Police Service and strengthen public protection against predatory offenders
 - Almost £6 million has been allocated to increase the provision for pay awards in 2023-24 to provide greater flexibility in the current economic climate
 - £0.15 million has been allocated to the Assembly budget to fund two additional scrutiny officers.
- 4.10 Additionally, the government also announced in the provisional local government Settlement that the GLA will receive £20.5 million through the Services Grant for which no allocation was made in the consultation budget. This will be treated as a one-off funding resource available for allocation in 2023-24 only. Of this funding:
- £13.4 million is being used to top-up the Mayoral Development Corporation Reserve, which will maintain the reserve at the prudent level held at the end of 2022-23
 - £4.6 million has been allocated to TfL to accelerate a number of cycle route construction schemes, and provide additional cycle parking spaces
 - £2.5 million has been allocated to the GLA: Mayor budget to support food poverty projects.
- 4.11 Following the government’s publication of the proposed council tax excessiveness principles, the Mayor is also proposing to now increase his police precept by a further £9.47 to £15 which raises an additional £29.3 million and the Band D precept for the LFC by a further £1.19 to £3.55 which raises an additional £3.7 million per annum. The reasons for this and how the resulting revenues have been allocated are set out under the MOPAC and LFC sections below.
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- 4.12 As explained in section 5 this results in a total revised precept (i.e. the adjusted basic amount of council tax) in the 32 boroughs of £434.14 or £38.55 higher than in 2022-23 and a non police precept payable by taxpayers in the City of London (the unadjusted council tax amount) of £142.01 which is an increase of £23.55.

Future years

- 4.13 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.

GLA: Mayor

- 4.14 The Mayoral component budget for the GLA for 2023-24 sets out how the Mayor will continue to deliver on the plans and priorities outlined in his manifesto, and how he will respond to the significant challenges arising as a result of the difficult economic climate.
- 4.15 The proposed budget will continue to support the Mayor’s ambitions to support London’s recovery through the delivery of pan-London Missions agreed and designed through collaborative work between the GLA, London’s boroughs, London Councils and other partner organisations:
- A Green New Deal – by 2030: double the size of London's green economy thereby accelerating job creation for all and improve air quality to tackle the climate and ecological emergencies
 - A Robust Safety Net – by 2025: every Londoner will be able to access the support they need to prevent financial hardship
 - High Streets for All – by 2025: deliver enhanced public spaces and exciting new uses for under-used high street buildings in every borough, working with London’s diverse communities
 - A New Deal for Young People – by 2024: all young people in need will be entitled to a personal mentor and all young Londoners will have access to quality local youth activities
 - Helping Londoners into Good Work – support Londoners into good jobs with a focus on sectors key to London’s recovery from COVID-19
 - Mental Health and Wellbeing – by 2025: a quarter of a million wellbeing ambassadors will be in place, supporting Londoners where they live, work and play
 - Digital Access for All – by 2025: every Londoner will have access to good connectivity, basic digital skills and the device or support they need to be online
 - Healthy Place, Healthy Weight – by 2025: all London’s families will find it easier to eat healthy food and be active where they live, learn, shop, work and play
 - 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.
- 4.16 The GLA has developed eight Recovery Foundations that are key areas of GLA investment which support recovery broadly and underpin the delivery of the Recovery Missions listed above.
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GLA: London Assembly

- 4.17 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 service expenditure, before savings and use of reserves, in 2023-24 is £8.6 million and its financing requirement is £8.2 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)

- 4.18 The component budget for the Mayor’s Office for Policing and Crime includes the functions of the Metropolitan Police Service (MPS).
- 4.19 On 24th March 2022, the Mayor published his Police and Crime Plan for London for consultation with Londoners, partners and victims of crime, following consultation with nearly 4,000 Londoners, victims of crime, agencies, community groups and businesses. The Mayor’s Police and Crime Plan sets out his vision for a city in which Londoners are safer – and feel safer. Central to this plan is the Mayor’s Equality, Diversity and Inclusion Strategy, ‘Inclusive London’, which sets out key inequalities affecting the lives of Londoners.
- 4.20 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; and ensuring that the MPS, borough councils and all community safety partners respond to neighbourhood crimes such as burglary and anti-social behaviour.
 - 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.
- 4.21 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 committed, as part of the action plan, to invest £1.7 million per annum, 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 2023-24 continues the £1.7 million of activity in relation to this Action Plan.
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- 4.22 The Mayor’s top priority continues to be keeping Londoners safe and the draft budget has been produced to support this aim. The 23-24 budget includes £30 million from reserves drawn down from an original allocation in 2019-20 of £118.6 million from Mayoral business rates to ensure funding was available over the medium-term for 500 of the 1,300 additional police officers funded by the Mayor. The reserve will be fully used by the end of 2024-25. The budget assumes that these costs will remain and this is creating a budget pressure from 2025-26 onwards. The funding for the remaining 800 officers is included in the base MOPAC budget.
- 4.23 The Mayor is proposing a £15 increase in the Band D police element of his precept in 2023-24, applicable in the 32 London boroughs which comprise the Metropolitan Police District⁴. This is line with the maximum permissible increase of £15 for local policing bodies without triggering a referendum. The previous Mayor decided to reduce the police precept in 2016-17 rather than increasing it by the 1.99 per cent uplift assumed in the Home Office police settlement. As a result MOPAC’s council tax requirement in 2023-24 will be c£33.5 million lower than it would have been had the previous Mayor increased his 2016-17 precept in accordance with government expectations – a sum equivalent to the cost of employing an additional c500 police officers. The cumulative loss in revenues for the Metropolitan Police over the subsequent eight financial years (to 2023-24) as a result of this single precept decision in 2016-17 exceeds £250 million.
- 4.24 For the reasons outlined above, the proposed police precept is £9.47 higher than originally proposed in the Consultation Budget document. This would raise an additional £29.3 million for policing services which this budget assumes will predominantly be used to fund an additional 500 PCSOs to enhance neighbourhood policing, with the remaining balance being utilised to improve services for victims through the Metropolitan Police’s call centres.

London Fire Commissioner (LFC)

- 4.25 The London Fire Commissioner (LFC) is responsible for fire and rescue services in London through the London Fire Brigade (LFB).
- 4.26 The Community Risk Management Plan (CRMP) came into effect on 1 January 2023, replacing the previous London Safety Plan. The CRMP will be effective until 2029. It remains anchored in the purpose and vision established in response to the recommendations from the Grenfell Tower Inquiry. It describes four new pillars that the Brigade will work to over the life of the plan (engaging, protecting, learning from, and representing Londoners) and eight new commitments:
- working with Londoners to provide localised services that meet the community’s needs
 - making it easy for Londoners to access London Fire services
 - adapting services as the needs of London’s communities’ change
 - designing services around the needs and concerns of London’s communities
 - enabling the service’s people to be the best they can be, to better serve Londoners
 - working together to provide the best possible services to meet the needs of its communities
 - being evidence-driven to give Londoners the value they expect

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.

- working with other organisations to secure a safer future for everyone.

Each of these will impact upon the services provided, helping to improve them to keep Londoners safer.

- 4.27 The Mayor is proposing to increase the fire element of his precept by £3.55 (Band D) in 2023-24 – equivalent to the monetary impact of a 2.99 per cent increase on the 2022-23 non police precept – which is below the maximum 3 per cent allowed before a referendum is required under the draft council tax referendum principles for 2023-24 for equivalent fire and rescue authorities in England. As noted above the previous Mayor in his final budget in 2016-17 decided to reduce the fire precept rather than increasing it by the 1.99 per cent referendum limit. The resulting loss in revenue to the London Fire Brigade of that single precept decision is now c£15 million per annum which equates to around £110 million on a cumulative basis across the subsequent eight financial years.
- 4.28 For the reasons outlined above, the proposed precept is £1.19 higher than proposed in the Consultation Budget Document, raising an additional £3.7 million for LFC. This budget proposes that the additional funding is used to help support potential pay award pressures.

Transport for London (TfL)

- 4.29 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.
- 4.30 The COVID-19 pandemic created significant uncertainty for many industries across the United Kingdom. For TfL specifically, it had a catastrophic impact on fare revenue income. Despite the removal of all coronavirus-related legal restrictions in England, the pandemic appears to have altered the behaviours of the travelling public which has made it challenging for TfL to extrapolate future travel patterns. Current data however suggests a permanent and structural decrease in overall post-pandemic ridership, especially across the weekday peaks as working patterns have changed. The recovery in weekend travel appears to have been stronger with levels approaching, and in some cases exceeding, pre-pandemic levels.
- 4.31 Following a series of short-term funding agreements since the onset of the pandemic, on 30 August 2022, the Department for Transport and TfL agreed a Funding Settlement to 31 March 2024 which provides both base funding and a guaranteed level of passenger income via a revenue top-up mechanism. A copy of this agreement can be found here: <https://tfl.gov.uk/info-for/investors/funding-letters>.
- 4.32 The provisional Local Government Finance Settlement did not uprate the c£1 billion of former TfL capital investment grant, which would have amounted to an additional £37 million had it been uprated by the same percentage as other funding baselines.

- 4.33 As a condition of the emergency government funding required given the impact of the COVID-19 pandemic on passenger income, the government required that the Mayor raises at least £500m in additional annual income for TfL using his existing powers. To help meet this condition, the Mayor is proposing to increase the non-police precept by an additional £20 (Band D) to raise approximately £62 million per annum for TfL.

London Legacy Development Corporation (LLDC)

- 4.34 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.
- 4.35 Since the London 2012 Olympic and Paralympic 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, one at Chobham Manor and one at East Wick and Sweetwater, are complete and under contract, respectively. 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)

- 4.36 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. This budget has been prepared as OPDC gears up for a more delivery-focussed stage, having recently adopted its new Local Plan and following the government’s approval of its strategic outline business case.

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 adjusted gross capital and revenue expenditure for 2023-24 will be almost £19.4 billion of which £16.0 billion is for revenue purposes as set out in the statutory calculations at Annex A, the key priorities have been to help ensure Londoners’ safety through below-inflation increases in 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 in the current economic climate.

- 5.2 The Mayor is proposing a Band D council tax of £434.14 for 2023-24 in the 32 London boroughs which form part of the Metropolitan Police District – £38.55 per annum or £3.21 per month higher than in 2022-23. Of this increase, £15 will be applied for policing, £20 to help maintain transport services across the capital to help meet the requirements of the government’s funding agreements for TfL and £3.55 for the London Fire Commissioner. The non-police precept paid by council taxpayers in the area of the Common Council of the City of London will be £142.01 (£118.46 in 2022-23). These Band D amounts are estimated to generate a total of £1,345.3 million in council tax revenues across London, assuming a 1 per cent uplift in the current council taxbase. This estimate will be revised in the Mayor’s final draft budget to reflect the actual council taxbases approved by each of the 33 London billing authorities at the end of January 2023.
- 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 to be approved by the House of Commons. The draft excessiveness principles for 2023-24 published by the government on 19 December 2022, found [here](#)⁵, state that an increase of more than £23.55 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 £38.55 in the adjusted precept including the £15 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 Thursday 4 May 2023.
- 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 confirmed for the GLA in the final Local Government Finance Settlement, and this will be set out in his final draft consolidated group budget 2023-24. It is expected that the final council tax referendum principles for 2023-24 will have been formally approved by the House of Commons as part of their consideration of the wider Local Government Finance Report prior to the Assembly’s meeting to consider the final draft budget, on 23 February 2023.

6 Recommendations concerning the draft consolidated council tax requirement

- 6.1 The Mayor is required to determine component and consolidated council tax requirements for 2023-24 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.

⁵https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1125389/Draft_Council_Tax_Referendum_Principles_Report.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 2023-24 and the consolidated council tax requirement for the GLA (Mayor and Assembly) and the functional bodies (GLA Group) of £1,345,251,019.85 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 2023. This is assumed at this stage – excluding any residual deficits repayable in respect of 2020-21 – to be nil. The estimated council tax collection fund deficits or surpluses for 2022-23 will be confirmed by the 33 London billing authorities at the end of January and the resulting impact set out 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	£67,363,507.69
London Assembly	£2,700,748.93
Mayor's Office for Policing and Crime	£904,408,083.13
London Fire Commissioner	£193,553,673.01
Transport for London	£177,225,007.09
London Legacy Development Corporation	£0.00
Old Oak and Park Royal Development Corporation	£0.00
Total Consolidated Council Tax Requirement	£1,345,251,019.85

Annex A

Draft consolidated component and consolidated council tax requirements 2023-24

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

Line	Sum	Description
1	£1,889,424,344	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	£624,023	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	£1,891,048,367	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	-£223,400,000	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	-£459,943,500	estimate of the Mayor’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
8	-£15,900,000	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	-£795,736,755	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	-£1,494,980,255	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	-£328,704,604	estimate of Mayor’s reserves to be used in meeting amounts in line 5 above under s85(5)(b) of the GLA Act
13	-£1,823,684,859	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	£67,363,507.69	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 2023-24 is £67,363,507.69

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

Line	Sum	Description
15	£8,474,416	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	£8,499,000	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	-£5,587,251	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	-£5,587,251	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	-£211,000	estimate of Assembly’s reserves to be used in meeting amounts in lines 19 above under s85(5)(b) of the GLA Act
27	-£5,798,251	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	£2,700,748.93	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 2023-24 is £2,700,748.93

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

Line	Sum	Description
29	£4,519,323,213	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	£4,526,530,494	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	-£329,400,000	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	-£665,810,000	estimate of the MOPAC’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
36	-£2,347,070,000	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	-£86,242,411	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	-£3,428,522,411	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	-£193,600,000	estimate of MOPAC’s reserves to be used in meeting amounts in line 33 above under s85(5)(b) of the GLA Act
41	-£3,622,122,411	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	£904,408,083.13	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 2023-24 is £904,408,083.13

London Fire Commissioner (“LFC”) draft component budget

Line	Sum	Description
43	£532,913,462	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	£534,493,673	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	-£48,080,000	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	-£33,900,000	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	-£252,260,000	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	-£334,240,000	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	-£6,700,000	estimate of LFC’s reserves to be used in meeting amounts in line 47 above under s85(5)(b) of the GLA Act
55	-£340,940,000	aggregate of the amounts for the items set out in section 85(5) of the GLA Act for LFC (lines (53) + (54) above)
56	£193,553,673.01	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 2023-24 is £193,553,673.01

Transport for London (“TfL”) draft component budget

Line	Sum	Description
57	£8,947,756,007	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	£56,314	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	£8,947,812,321	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	-£6,907,437,000	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	-£8,000,000	estimate of TfL’s special & specific government grant income calculated in accordance with s85(5)(a) of the GLA Act
64	-£4,600,000	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	-£1,914,650,314	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	-£8,834,687,314	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	£64,100,000	estimate of TfL’s reserves to be used in meeting amounts in line 61 above under s85(5) (b) of the GLA Act
69	-£8,770,587,314	aggregate of the amounts for the items set out in section 85(5) of the GLA Act (lines (67) + (68))
70	£177,225,007.09	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 2023-24 is £177,225,007.09

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

Line	Sum	Description
71	£72,557,000	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	£72,557,000	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	-£18,400,000	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	-£29,657,004	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	-£48,057,004	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	-£24,499,996	estimate of LLDC’s reserves to be used in meeting amounts in line 75 above under s85(5)(b) of the GLA Act
83	-£72,557,000	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	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 2023-24 is £0 (£NIL)

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

Line	Sum	Description
85	£11,300,000	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	£11,300,000	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	-£500,000	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	-£7,000,000	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	-£3,800,000	estimate of OPDC’s reserves to be used in meeting amounts in line 89 above under s85(5)(b) of the GLA Act
97	-£11,300,000	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 2023-24 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	£1,345,251,019.85	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 2023-24 is £1,345,251,019.85

Aggregate GLA Group budget for 2023-24

Estimated Expenditure

£	GLA Mayor	GLA Assembly	MOPAC	LFC	TfL	LLDC	OPDC	Total
Estimated expenditure	£1,889,424,344	£8,474,416	£4,519,323,213	£532,913,462	£8,947,756,007	£72,557,000	£11,300,000	£15,981,748,443
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	£624,023	£24,584	£7,207,281	£1,580,211	£56,314	£0	£0	£9,492,412
Estimated total expenditure	£1,891,048,367	£8,499,000	£4,526,530,494	£534,493,673	£8,947,812,321	£72,557,000	£11,300,000	£15,992,240,855

Estimated Income and Calculation of Council Tax Requirement

£	GLA Mayor	GLA Assembly	MOPAC	LFC	TfL	LLDC	OPDC	Total
Estimate of non-government grant income	-£223,400,000	£0	-£329,400,000	-£48,080,000	-£6,907,437,000	-£18,400,000	-£500,000	-£7,527,217,000
Estimate of specific government grant income	-£459,943,500	£0	-£665,810,000	-£33,900,000	-£8,000,000	£0	£0	-£1,167,653,500
Estimate of general government grant income	-£15,900,000	£0	-£2,347,070,000	£0	-£4,600,000	£0	£0	-£2,367,570,000
Estimate of Retained Business Rates income	-£795,736,755	-£5,587,251	-£86,242,411	-£252,260,000	-£1,914,650,314	-£29,657,004	-£7,000,000	-£3,091,133,735
Estimate of net collection fund surplus for council tax and/or business rates for 33 London billing authorities	£0	£0	£0	£0	£0	£0	£0	£0
Estimated total income before use of reserves	-£1,494,980,255	-£5,587,251	-£3,428,522,411	-£334,240,000	-£8,834,687,314	-£48,057,004	-£7,500,000	-£14,153,574,235

£	GLA Mayor	GLA Assembly	MOPAC	LFC	TfL	LLDC	OPDC	Total
Estimate of reserves to be used	-£328,704,604	-£211,000	-£193,600,000	-£6,700,000	£64,100,000	-£24,499,996	-£3,800,000	-£493,415,600
Estimated total income after use of reserves	-£1,823,684,859	-£5,798,251	-£3,622,122,411	-£340,940,000	-£8,770,587,314	-£72,557,000	-£11,300,000	-£14,646,989,835
Council tax requirement	£67,363,507.69	£2,700,748.93	£904,408,083.13	£193,553,673.01	£177,225,007.09	£0.00	£0.00	£1,345,251,019.85

COUNCIL TAXBASE	3,104,309.11	3,104,309.11	3,095,909.64	3,104,309.11	3,104,309.11	3,104,309.11	3,104,309.11	
BAND D COUNCIL TAX	£21.70	£0.87	£292.13	£62.35	£57.09	£0.00	£0.00	£434.14