

GLA explanatory communication to council taxpayers for 2023-24

GREATER LONDON AUTHORITY

Introduction

The Mayor of London's budget for the 2023-24 financial year sets out his priorities to support London's recovery from the COVID-19 pandemic and to tackle the huge social, health and economic inequalities which it has exposed and exacerbated - inequalities which have become even more apparent as a result of the current cost of living crisis. It supports job creation and London's business community, our city's future growth and economic success and the Mayor's vision to rebuild London as a greener, cleaner and safer city with stronger and more cohesive communities.

This year's budget will provide resources to improve the key public services Londoners need and help address the cost of living crisis. This includes delivering more genuinely affordable homes, funding to maintain the capital's transport services and programmes to tackle toxic air pollution and the climate emergency. The budget also provides resources to support jobs and growth, fund skills and retraining programmes, help rough sleepers, invest in services for children and young people and make London a fairer and cleaner place to live. Moreover, it prioritises resources for the Metropolitan Police and London Fire Brigade to keep Londoners safe, including violence reduction initiatives, support for victims of crime, recruitment drives for additional frontline officers and projects to divert vulnerable young people away from the criminal justice system.

In light of the significant reductions in fares revenue since the pandemic, it has been necessary to provide additional resources through local taxation income to maintain London's transport system including investing in preserving the bus network. However, this budget remains focused on delivering a swift and sustainable economic recovery across the capital as well as building the better, brighter, fairer future all Londoners want and deserve.

Council tax for GLA services

The GLA's share of the council tax for a typical Band D property has been increased by £38.55 (or 74p per week) to £434.14. The additional income from this increase in council tax will fund the Metropolitan Police and the London Fire Brigade, and will also go towards ensuring existing public transport services in London can be maintained, meeting requirements set by the government in funding agreements. Council taxpayers in the City of London, which has its own police force, will pay £142.01.

Band D Council Tax (£)	2022-23	Change	2023-24
MOPAC (Metropolitan Police)	277.13	15.00	292.13
LFC (London Fire Brigade)	58.80	3.68	62.48
GLA	22.57	-0.13	22.44
Transport Services	37.09	20.00	57.09
Total	395.59	38.55	434.14

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

The Mayor's budget includes significant savings across the GLA Group in 2023-24, including tens of millions of pounds over the first five years following moving City Hall from Tower Bridge to the Royal Docks. These savings have allowed him to release resources to help meet his key priorities. His budget includes plans to invest £6.9 billion to allow 116,000 affordable homes starts within London by the end of this year and an additional 165,000 affordable homes starts by 2026, as well as allocating resources to tackle homelessness and reduce rough sleeping.

The Mayor has already taken steps to improve air quality in London by introducing the Ultra Low Emission Zone (ULEZ) in central London in April 2019, which was expanded to the North and South Circular roads in Autumn 2021. The Mayor has also created a £110m scrappage scheme providing financial assistance to help eligible Londoners scrap or retrofit their highest polluting vehicles to prepare for the planned expansion of the ULEZ London-wide from 29 August 2023. He has continued to roll out his Green New Deal for London to address the climate emergency, with the objective of helping to create jobs and to double the size of the capital's green economy by 2030. This work is being supported in 2023-24 by the allocation of an additional £134 million to be used towards environmental improvement projects in order to help deliver the Mayor's target to ensure London achieves carbon net zero by 2030.

The Mayor will continue to ask the government to provide the maximum possible ongoing financial support to London businesses and Londoners to assist them through the current challenging economic situation including the impact of rising food and fuel inflation, rents and interest rates. He will also maintain investment in skills and retraining to help tackle unemployment and support Londoners to secure better paid jobs, as well as supporting the advice sector to help Londoners impacted by the cost of living crisis. The Mayor is also responding to the cost of living crisis by providing £130 million of new funding to ensure all primary school pupils can receive free school meals in the 2023-24 school year.

The Mayor will also work with London's business community, key investors and other stakeholders to support the economic recovery and ensure that London and Londoners' interests are protected following the UK's departure from the European Union. He will provide funding for new projects to bring communities together, tackle social inequality and boost London's economy, including supporting projects to help small and medium sized businesses.

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

The Mayor published his Police and Crime Plan for 2022-25 in March 2022. This sets out the Mayor's vision for a city in which Londoners are safer – and feel safer. His key priorities include providing a better criminal justice service in London to ensure victims of crime are better supported, keeping children and young people safe, tackling the harm caused by drugs, reducing reoffending by the most violent and high-risk groups and preventing hate crime. He has taken steps to ensure London's police service has the resources it needs to put more officers on the streets to suppress violence, including dealing with violence against women and girls, and responding to the demands and pressures of policing a capital city. He has also provided resources to tackle domestic violence and is increasing investment in violence reduction initiatives.

The Plan also outlines the action the Mayor is taking to continue to hold the Metropolitan Police Service (MPS) to account, ensuring all Londoners have trust and confidence in their police force and standards within the wider force are improved. The budget supports the new Metropolitan Police Commissioner in delivering this vital work.

The Mayor published his Action Plan in November 2020 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 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 MPS must rise to meet these challenges at a time of acute financial pressure. As a result of the net reduction in resources from the Home Office for policing between 2010 and 2019, the MPS had to close more than 100 police stations and remove over 3,300 Police Community Support Officers and 4,500 police staff in order to minimise reductions to front line officer numbers.

The Mayor is raising the police element of his council tax precept paid in the 32 London boroughs (but not the City of London which has its own police force) by £15 for a typical Band D property, as assumed in government calculations of police spending power. The additional revenues will help raise £22 million to fund the recruitment of 500 additional Police Community Support Officers (PCSOs). In all, through his decisions in this and previous budgets, the Mayor has funded an additional 1,300 police officer posts from locally raised revenues.

Transport for London (TfL)

TfL has faced significant financial challenges as a result of the reduced levels of ridership due to the pandemic since March 2020, which has led to a reduction in fare revenues. The Mayor continues to work with the government to secure a sustainable long-term funding settlement for TfL to allow him to continue to invest in the transport network while making it more reliable and accessible. The Mayor's priorities for TfL, subject to funding constraints where applicable, and key achievements include:

- Working with London boroughs to maintain existing concessionary travel and assisted door to door transport schemes. This includes, for example, maintaining free bus and tram travel for under 18s as well as free off-peak travel across the network for older Londoners, the disabled, armed forces personnel in uniform and eligible armed services veterans and protecting the Taxicard and Dial a Ride schemes.
- Completing the final stages to deliver the full operation of and timetable for the Elizabeth line by no later than May 2023. The line has increased central London's rail capacity by ten per cent and saw over 100 million passenger journeys during its first eight months. This follows on from the opening of Northern line extension to Nine Elms and Battersea Power Station in September 2021.
- Rolling out new trains on the Piccadilly line, with the first new trains serving customers from 2025.
- Enhancing capacity on the London Underground and rail services, and upgrading key stations such as Bank/Monument station, Old Street and Elephant and Castle as well as securing government funding to make Leyton and Colindale stations step free.
- Making public transport more accessible for everyone. All Elizabeth line stations will be step free.
- Delivering the local regeneration and housing benefits arising from completing the extension of London Overground on the Gospel Oak to Barking Line to serve Barking Riverside in July 2022.
- Expanding capacity and commencing rolling out new trains on the DLR network in 2024.
- Maintaining the Bus and Tram one-hour Hopper fare and investing to sustain existing journey times and reliability on the bus network.
- Continuing the electrification of London Buses so that all are emission free by 2037 at the latest.
- Tackling London's toxic air quality including extending the ULEZ London-wide. The Mayor has introduced a £110 million vehicle scrappage scheme for small businesses and Londoners in receipt of low income and disability benefits.

- Investing in schemes designed to make walking, cycling and public transport safer, cleaner and more appealing in partnership with London boroughs.

London Fire Commissioner (LFC)

The Mayor's funding ensures that the London Fire Brigade's (LFB) first and second fire engines attending an incident arrive within 10 minutes on at least 90 per cent of occasions and 12 minutes on at least 95 per cent of occasions respectively, after being dispatched. A new Community Risk Management Plan came into effect in January 2023 covering the period to 2029 replacing the previous London Safety Plan. The Mayor is providing resources to roll out a transformation programme so that the LFB can implement the recommendations of the Grenfell fire inquiry, including investing in the new vehicles and equipment required. The London Fire Commissioner, with the full support of the Mayor, is also committed to implementing the deep-rooted reform needed to the culture and systems within the LFB.

London Legacy Development Corporation (LLDC)

The LLDC was set up to ensure that the city benefits from a long-term legacy from the London 2012 Olympic and Paralympic Games. The Mayor's 2023-24 budget provides funding to complete the construction of East Bank, one of the world's largest and most ambitious cultural and education districts, in Queen Elizabeth Olympic Park. It will bring an additional 1.5 million visitors to the Park and surrounding area each year, and more than 2,500 jobs will be created generating an estimated £1.5 billion for the local economy.

Old Oak and Park Royal Development Corporation (OPDC)

The OPDC has been established to support the creation of 65,000 new jobs and at least 24,000 new homes in west London over the next 20 years. It will build on the regeneration benefits which High Speed 2 (HS2), the Elizabeth line and the Great Western Mainline stations at Old Oak Common are expected to bring locally. The Mayor's 2023-24 budget provides additional resources to enable the Corporation to start early delivery of its programme.

Summary of GLA Group budget

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

How the GLA's budget is funded (£ million)	2023-24
Gross expenditure	16,232.6
Government grants and retained business rates	-7,001.9
Fares, charges and other income	-7,527.2
Change in reserves	-350.4
Amount met by council taxpayers (£m)	1,353.1

Changes in spending (£ million)	2023-24
2022-23 council tax requirement	1,213.6

Net change in service expenditure and income	-108.4
Change in use of reserves	-278.3
Government grants and retained business rates	942.8
Other changes	-416.6
Amount met by council taxpayers (£m)	1,353.1

Detailed budget by service area

The table below compares the GLA Group's planned expenditure on policing, fire and other services (including transport) in 2023-24 with 2022-23. LLDC and OPDC are not funded from council tax.

The GLA's planned gross expenditure is higher this year. This reflects the additional resources the Mayor is investing in policing, the fire brigade and transport services. Overall the council tax requirement has increased because of the extra resources for the Metropolitan Police and the London Fire Brigade and to secure funding to maintain existing transport services including buses and the tube network.

There has been a 1.6 per cent increase in London's residential property taxbase. Find out more about our budget at: www.london.gov.uk/budget.

Summary of Spending and Income (£ million)	Police (MOPAC)		Fire (LFC)		Other Services (incl. GLA, TfL, LLDC and OPDC)		GLA Group Total	
	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24
(figures may not sum exactly due to rounding)	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24
Gross expenditure	4,269.2	4,533.1	508.6	534.5	10,172.5	11,165.0	14,950.3	16,232.6
Government grants and business rates	-2,992.3	-3,100.5	-277.6	-284.6	-3,704.9	-3,616.8	-6,974.8	-7,001.9
Other income (incl. fares and charges)	-303.4	-329.4	-44.2	-48.1	-6,433.9	-7,149.7	-6,781.5	-7,527.2
Net expenditure	973.5	1,103.2	186.8	201.8	33.7	398.5	1,194.0	1,703.5
Change to level of reserves	-124.0	-193.6	-6.1	-6.7	149.7	-150.1	19.6	-350.4
Council tax requirement (income)	849.5	909.6	180.7	195.1	183.4	248.4	1,213.6	1,353.1

