

Introduction

The Mayor of London's budget for the 2021-22 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. 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 after the pandemic 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. This includes delivering more genuinely affordable homes, securing funding to maintain and expand the capital's transport infrastructure and tackling 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 youth services 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 and ongoing support to improve opportunities for young Londoners. In light of the significant reductions in fares revenue and property tax income due to the pandemic, difficult decisions have been unavoidable. However, this budget remains focused on delivering a swift and sustainable recovery from the pandemic, 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 £31.59 (or 61p per week) to £363.66. The additional income from this increase in council tax will fund the Metropolitan Police, the London Fire Brigade, and will also go towards maintaining existing travel concessions for the under 18s and Londoners aged 60 and over. Council taxpayers in the City of London, which has its own police force, will pay £96.53.

Council Tax (£)	2020-21	Change	2021-22
MOPAC (Metropolitan Police)	252.13	15.00	267.13
LFC (London Fire Brigade)	55.28	1.59	56.87
GLA	22.69	-0.12	22.57
TfL (Transport)	1.97	15.12	17.09
Total	332.07	31.59	363.66

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

The Mayor's budget includes significant savings across the GLA Group in 2021-22. This has allowed him to release resources to help meet his key priorities. This includes plans to invest £4.4 billion to continue delivering 116,000 affordable homes starts within London by 2023 and an additional 35,000 by 2026 as well as allocating resources to tackle homelessness and reduce rough sleeping. He has taken steps to improve air quality in London by introducing the Ultra Low Emission Zone in central London, which will be expanded to the North and South Circular roads in Autumn 2021. He will also continue to fund a 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.

The Mayor will continue to ask the Government to provide the maximum possible ongoing financial support to London businesses and Londoners as the capital emerges from the very severe impact of the COVID-19 pandemic. He will also maintain investment in skills and retraining to help tackle unemployment and support Londoners to secure better paid jobs, as well as continuing to request that the Government strengthen the safety net for the most vulnerable Londoners.

The Mayor will also work with London's business community, key investors and other stakeholders to support the economic recovery and ensure that London's 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's Police and Crime Plan – a Safer City for Londoners 2017-21 – sets out his strategy for policing and community safety in the city. His key priorities include improving the Metropolitan Police Service (MPS), providing a better criminal justice service in London and keeping children and young people safe. He will also provide resources to tackle domestic violence, which particularly affects women, and continue to invest in violence reduction initiatives.

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 extra resources 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 reductions in resources from the Home Office for policing over the last decade, which have only recently started to be reversed by the current government, 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 protect front line officer numbers.

The Mayor is raising the police element of his council tax precept by £15 for a typical Band D property, as assumed in Government calculations of police spending power. In all, through his decisions in this and previous budgets, the Mayor has funded an additional 1,300 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 large fall 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 investment in the transport network while making it more reliable and accessible. The Mayor's priorities for TfL 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 Londoners aged 60+, the disabled, armed forces personnel in uniform and eligible armed services veterans and protecting the Taxicard and Dial a Ride schemes;
- opening the central London section of the Elizabeth line (the operational name for Crossrail) in the first half of 2022, followed by the full line opening with through services as soon as possible to increase central London's rail capacity by ten per cent. TfL will also open the Northern line extension to Nine Elms and Battersea Power station in 2021;
- rolling out 94 new Piccadilly line trains, 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;
- making public transport more accessible for everyone. Within the next five years nearly 40 per cent of tube stations are expected to be step free. All Elizabeth line stations once the line opens in full will also be step free;
- extending the London Overground on the Gospel Oak to Barking Line to serve Barking Riverside (due to open by 2022) and expanding capacity on the DLR network;
- maintaining the Bus and Tram one-hour Hopper fare and investing to improve 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;
- extending the Ultra Low Emission Zone in central London to the North and South Circular roads by Autumn 2021 to help tackle London's toxic air quality; and
- investing in a range of 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 first and second fire engines attending an emergency 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. The Mayor is also providing resources to roll out a transformation programme so that the LFB can implement the recommendations of the Grenfell fire inquiry. This includes investing in the new vehicles and equipment required.

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 2021-22 budget provides funding to progress 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.

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)	2021-22
Gross expenditure	13,804.4
Government grants and retained business rates	-8,453.9
Fares, charges and other income	-5,136.9
Change in reserves	883.0
Amount met by council taxpayers (£m)	1,096.6

Changes in spending (£ million)	2021-22
2020-21 council tax requirement	1,010.9
Inflation	176.7
Efficiencies and other savings	-196.3
New initiatives	383.3
Other changes (for example fares revenue and government grants)	-278.0
Amount met by council taxpayers (£m)	1,096.6

Detailed budget by service area

The table below compares the GLA Group's planned expenditure on policing, fire and other services (including transport) in 2021-22 with 2020-21.

The GLA's planned gross expenditure is higher this year. This is mainly due to the impact of extra investment planned by the Mayor in transport and policing. Overall the council tax requirement has increased because of the extra funding for the Metropolitan Police, the London Fire Brigade and maintaining existing concessionary free

travel for under 18s and Londoners aged 60 and over. There has been a 1.0 per cent decrease 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	
	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22
(figures may not sum exactly due to rounding)								
Gross expenditure	3,885.3	3,968.2	489.5	489.3	8,991.1	9,346.9	13,365.9	13,804.4
Government grants and business rates	-2,786.3	-2,793.0	-266.1	-266.9	-2,434.1	-5,394.0	-5,486.6	-8,453.9
Other income (incl. fares and charges)	-280.0	-290.1	-39.8	-41.2	-6,467.5	-4,805.6	-6,787.3	-5,136.9
Net expenditure	819.0	885.2	183.6	181.2	89.5	-852.7	1,092.0	213.6
Change to level of reserves	-51.9	-80.3	-15.0	-9.4	-14.2	972.7	-81.1	883.0
Council tax requirement (income)	767.1	804.9	168.6	171.8	75.3	119.9	1,010.9	1,096.6

