

YOUR COUNCIL TAX AND THE GREATER LONDON AUTHORITY

Introduction

This is Sadiq Khan's third budget as the Mayor of London. It is built around his vision of a London where nobody feels left behind and where everyone has the opportunity they need to fulfil their potential. It supports London's future growth and economic success, building on our City's thriving economy, extraordinary creativity, tolerance, diversity and openness to the world.

Sadiq Khan will not tolerate any waste of public money, particularly against a background of tightening resources from the Government over the last decade. This year's budget has required some tough choices. It will improve the key services Londoners need. That means ensuring transport fares are more affordable and building more homes. The budget provides resources to support jobs and growth, tackle rough sleeping and make London a fairer and cleaner place to live too. It also provides extra resources from council tax and business rates for the Metropolitan Police and London Fire Brigade to keep Londoners safe. This will help offset the ongoing impact of real terms cuts in government grant since 2010.

Council tax for GLA services

The GLA's share of the council tax for a typical Band D property has been increased by £26.28 (or 50p per week) to £320.51. The additional income raised will fund the Metropolitan Police and the London Fire Brigade. Council taxpayers in the City of London, which has its own police force, will pay £78.38.

| Council Tax (£) | 2018-19 | Change | 2019-20 |
|-----------------------------|----------------|---------------|----------------|
| MOPAC (Metropolitan Police) | 218.13 | 24.00 | 242.13 |
| LFC (London Fire Brigade) | 50.22 | 2.78 | 53.00 |
| GLA | 23.84 | -0.46 | 23.38 |
| TfL (Transport) | 2.04 | -0.04 | 2.00 |
| Total | 294.23 | 26.28 | 320.51 |

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

The Mayor's budget includes significant efficiency savings across the GLA Group in 2019-20. This has allowed him to release resources to help meet his key priorities. This includes plans to invest £4.8 billion to support starts of 116,000 new affordable homes in London by 2022. He will also continue to provide extra funding to support disadvantaged young Londoners and increase investment in green spaces. In addition, he is taking steps to improve air quality in London by introducing a new Ultra Low Emission Zone in central London from April 2019. He is setting up a £48 million fund for small businesses and Londoners on low incomes to encourage them to scrap polluting diesel vehicles.

The Mayor will also work with London's business community and key investors to ensure London's interests are protected. He will put Londoners' economic opportunities centre stage in light of the uncertainty arising from the UK's expected departure from the European Union. He will provide funding for new projects to bring communities together, tackle social inequality and boost London's economy.

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 over the next three years. 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 tackle domestic violence which particularly affects women and girls and stand up against hate crime, intolerance and extremism.

The MPS has to rise to meet these challenges at a time of acute financial pressure. As a result of the reductions in Home Office grant for policing over the last decade, it has had to close more than 100 police stations and remove 2,800 police support staff and Police Community Support Officer roles in order to protect officer numbers.

To keep Londoners safe, the Mayor is raising the police element of his council tax precept by £24 for a typical Band D property. He will also maintain an additional £59 million of funding through business rates. This will fund an additional 1,300 police officers but will not compensate for the government's cuts to police funding since 2010.

Transport for London (TfL)

London's population is forecast to grow by one million in the next decade. TfL is investing to make the transport network more reliable and accessible. The Mayor's priorities for TfL include:

- ◆ making transport more affordable. Single bus fares, single pay as you go fares on the Tube and DLR and the charges for the Santander cycle hire scheme will be frozen until at least 2020. This will save travellers an estimated £40 million in 2019-20;
- ◆ the introduction of the new Bus and Tram one-hour Hopper fare and investing to improve journey times and reliability on the bus network;
- ◆ working with London boroughs to maintain existing concessionary travel and assisted door to door transport schemes. This includes providing free 24-hour travel for the over 60s, the disabled, armed forces personnel in uniform and eligible war veterans and protecting the Taxicard and Dial a Ride schemes. Discounts on travelcards are also available for apprentices;
- ◆ increasing capacity on the London Underground and rail services and maintaining the Night Tube and Night Overground services;
- ◆ extending the Barking Gospel Oak line to Barking Riverside and expanding capacity on the DLR and tram network;
- ◆ planning for the Bakerloo line extension to south east London and new river crossings in east London;
- ◆ working to complete the Elizabeth line (formerly Crossrail) - which will increase central London's rail capacity by ten per cent - and the Northern line extension to Nine Elms and Battersea Power station as soon as possible;
- ◆ continuing work to develop Crossrail 2 and working towards the release of more TfL land to provide new affordable workspaces and homes across London;
- ◆ introducing an Ultra Low Emission Zone in central London from April 2019 to tackle local air pollution and adopting a Vision Zero plan which will help to eliminate deaths and serious injuries on London's roads;
- ◆ making public transport more accessible for everyone. Step-free access is planned to be introduced at a further 15 suburban tube stations by Spring 2020. All new Elizabeth line stations will also be step free; and
- ◆ investing a record £2.3 billion by 2024 through his Healthy Streets scheme to fund a range of schemes designed to make walking, cycling and public transport safer, cleaner and more appealing. This includes funding for major new high-quality cycle routes between Brentford and Olympia, Tower Bridge and Woolwich, Tottenham and Camden and Hackney and the Isle of Dogs.

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, on average, within six and eight minutes respectively. He is also supporting the Brigade's investment in new vehicles and equipment, and the continued promotion of community safety and fire prevention across London.

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 2019-20 budget provides funding for the development of a world class cultural and education district, East Bank, in Queen Elizabeth Olympic Park. This is expected to create 3,000 new jobs, attract 1.5 million additional visitors and bring £2.8 billion of economic value to east London.

Old Oak and Park Royal Development Corporation (OPDC)

The OPDC will help create 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 High Speed 2 (HS2), the Elizabeth line and the Great Western Mainline stations at Old Oak Common will 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 Group budget is funded (£ million) | 2019-20 |
|---|----------------|
| Gross expenditure | 12,232.6 |
| Government grants and retained business rates | -4,754.5 |
| Fares, charges and other income | -6,522.1 |
| Use of reserves | 4.6 |
| Amount met by council tax payers | 960.6 |

| Changes in spending (£ million) | 2019-20 |
|---|----------------|
| 2018-19 council tax requirement | 865.7 |
| Inflation | 235.9 |
| Efficiencies and other savings | -243.3 |
| New initiatives | 641.1 |
| Other changes (for example fares revenue and government grants) | -538.9 |
| 2019-20 council tax requirement | 960.6 |

Detailed budget by service area

The table below compares the GLA Group's expenditure on policing, fire and other services (including transport) in 2019-20 with 2018-19.

The GLA's gross expenditure is higher this year. This is mainly due to the impact of extra investment planned by the Mayor in transport, policing and the fire service. Overall the council tax requirement has increased because of the extra funding for the Metropolitan Police and the London Fire Brigade. There has also been a 1.9 per cent increase in London's residential property taxbase. Find out more about our budget at: [london.gov.uk/budget](https://www.london.gov.uk/budget) (tel: 020 7983 4000).

| Summary of Spending and Income (£ million) <small>(figures may not sum exactly due to rounding)</small> | Police (MOPAC) | | Fire (LFC) | | Other Services (incl. GLA, TfL, LLDC and OPDC) | | GLA Group Total | |
|--|----------------|--------------|--------------|--------------|---|--------------|-----------------|--------------|
| | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 |
| Gross expenditure | 3,331.5 | 3,556.7 | 435.8 | 450.3 | 8,411.1 | 8,225.6 | 12,178.4 | 12,232.6 |
| Government grants and business rates | -2,397.3 | -2,656.4 | -250.9 | -245.7 | -1,990.1 | -1,852.4 | -4,638.3 | -4,754.5 |
| Other income (incl. fares and charges) | -263.8 | -278.5 | -36.9 | -38.3 | -5,863.3 | -6,205.3 | -6,163.9 | -6,522.1 |
| Net expenditure | 670.4 | 621.8 | 148.0 | 166.3 | 557.8 | 167.9 | 1,376.2 | 956.0 |
| Change to level of reserves | -29.0 | 103.4 | 0.0 | -7.1 | -481.5 | -91.7 | -510.5 | 4.6 |
| Council tax requirement (income) | 641.4 | 725.2 | 148.0 | 159.2 | 76.3 | 76.2 | 865.7 | 960.6 |