

YOUR COUNCIL TAX AND THE GREATER LONDON AUTHORITY

Introduction

This is Sadiq Khan's second 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 opportunities 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 ever tightening resources from the Government. 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 affordable homes. The budget also provides resources to support jobs and growth, tackle rough sleeping and make London a fairer and cleaner place to live. The Mayor will also provide 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 impact of continuing real terms cuts in government grant.

Council tax for GLA Services

The GLA's share of the council tax for a typical Band D property has been increased by £14.21 (or 27p per week) to £294.23. The additional income raised is being applied to fund the Metropolitan Police and London Fire Brigade. A Band D council taxpayer in the City of London, which has its own police force, will pay £76.10.

| Council Tax (£) | 2017-18 | Change | 2018-19 |
|-----------------------------|---------------|--------------|---------------|
| MOPAC (Metropolitan Police) | 206.13 | 12.00 | 218.13 |
| LFC (London Fire Brigade) | 48.01 | 2.21 | 50.22 |
| GLA | 23.80 | 0.04 | 23.84 |
| TfL (Transport) | 2.08 | -0.04 | 2.04 |
| Total | 280.02 | 14.21 | 294.23 |

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 2018-19. This has allowed him to release resources to meet his key priorities. This includes plans to invest £3.15 billion to support 90,000 new affordable homes in the capital by 2021. He will also provide additional funding to support disadvantaged young Londoners and increase investment in green spaces, improving air quality and reducing the usage of single-use plastics.

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 as the Government's negotiations to leave the European Union reach their conclusion. He will also 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 All Londoners 2017-21 – sets out his strategy for policing over the next four years. His five key priorities are to improve the Metropolitan Police Service (MPS), provide a better criminal justice service in London, keep children and young people safe, 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 Government grant for policing, in the past four years the MPS has had to close more than 100 police stations and remove 2,800 police staff and PCSOs roles in order to protect officer numbers.

To keep Londoners safe, the Mayor has decided to raise the police element of his council tax precept by £12 for a typical Band D property. This will help to keep officer numbers as high as possible within the resources the Mayor has at his disposal.

Transport for London

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 in his current term 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 2018-19
- ◆ introducing a new Bus and Tram one-hour Hopper fare which is now in place 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 including his introduction of the Night Tube and Night Overground services
- ◆ extending the Barking Gospel Oak line to Barking Riverside and expanding the DLR and tram network

- ◆ planning for the Bakerloo line extension to south east London and new river crossings in east London
- ◆ completing the Elizabeth line (formerly Crossrail) by the end of 2019 which will increase London's rail capacity by ten per cent and continuing work on the Northern line extension to Nine Elms and Battersea Power station which is due to be completed in 2020
- ◆ developing Crossrail 2 and the Silvertown tunnel and working towards the release of more TfL land to provide new affordable workspaces and homes across London
- ◆ making public transport more accessible for everyone. Step-free access is planned to be introduced at five more London Underground stations in 2018-19 and funding has been secured for a further 13. All Elizabeth line stations will also be step free and
- ◆ investing a record £2.2 billion in street schemes and initiatives designed to make walking, cycling and public transport safer, cleaner and more appealing, including funding eight new Cycle Superhighways and transforming major transport junctions.

London Fire Commissioner (LFC)

The Mayor aims to balance the London Fire Brigade's budget and improve its response times to ensure that the first and second fire engines attending an emergency incident arrive within six and eight minutes respectively. The LFC will also promote community safety and fire prevention and ensure that buildings in the capital conform to fire safety standards to protect both Londoners and visitors.

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 2018-19 budget provides funding for the development of a world class cultural and education district 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 that the new High Speed 2 (HS2), Crossrail and Great Western Mainline stations at Old Oak Common will bring to the area.

Summary of GLA Group budget

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

| How the GLA Group budget is funded (£ million) | 2018-19 |
|---|----------------|
| Gross expenditure | 12,178.4 |
| Government grants and retained business rates | -4,638.3 |
| Fares, charges and other income | -6,163.9 |
| Use of reserves | -510.5 |
| Amount met by council tax payers | 865.7 |

| Changes in spending (£ million) | 2018-19 |
|--|----------------|
| 2017-18 council tax requirement | 804.8 |
| Inflation | 227.3 |
| Efficiencies and other savings | -324.2 |
| New initiatives | 296.2 |
| Other changes (for example fares revenue and grants) | -138.4 |
| 2018-19 council tax requirement | 865.7 |

Detailed budget by service area

The table below compares the GLA Group's expenditure on policing, fire and other services (including transport) in 2018-19 with 2017-18.

The GLA's gross expenditure is higher this year. This is mainly due to the impact of additional 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 2.4 per cent increase in London's residential property taxbase. Find out more about our budget at: london.gov.uk/budget (tel: 020 7983 4000).

| Summary of Spending and Income (£ million) | Police (MOPAC) | | Fire (LFC) | | Other Services (incl. GLA, TfL, LLDC and OPDC) | | | GLA Group Total | |
|---|----------------|--------------|--------------|--------------|--|--------------|--------------|-----------------|--|
| | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 | 2017-18 | 2018-19 | |
| (figures may not sum exactly due to rounding) | | | | | | | | | |
| Gross expenditure | 3,269.1 | 3,331.5 | 426.8 | 435.8 | 8,062.5 | 8,411.1 | 11,758.4 | 12,178.4 | |
| Government grants and business rates | -2,331.7 | -2,397.3 | -256.4 | -250.9 | -2,082.2 | -1,990.2 | -4,670.3 | -4,638.3 | |
| Other income (incl. fares and charges) | -263.6 | -263.8 | -34.9 | -36.9 | -5,983.8 | -5,863.3 | -6,282.3 | -6,163.9 | |
| Net expenditure | 673.8 | 670.4 | 135.5 | 148.0 | -3.5 | 557.8 | 805.8 | 1,376.2 | |
| Change to level of reserves | -81.8 | -29.0 | 2.8 | 0.0 | 78.0 | -481.5 | -1.0 | -510.5 | |
| Council tax requirement (income) | 592.0 | 641.4 | 138.2 | 148.0 | 74.6 | 76.3 | 804.8 | 865.7 | |