

## Introduction

The Mayor of London's budget for the 2020-21 financial year is built around his vision of a city where nobody is left behind, and opportunities are open to all. 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.

This year's budget will provide resources to improve the key services Londoners need. This includes delivering more affordable housing, supporting jobs and economic growth, tackling rough sleeping and making 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 ongoing impact of the reduction in resources over the last decade.

## Council tax for GLA services

The GLA's share of the council tax for a typical Band D property has been increased by £11.56 (or 22p per week) to £332.07. 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 £79.94.

Council Tax (£)	2019-20	Change	2020-21
MOPAC (Metropolitan Police)	242.13	10.00	252.13
LFC (London Fire Brigade)	53.00	2.28	55.28
GLA	23.38	-0.69	22.69
TfL (Transport)	2.00	-0.03	1.97
<b>Total</b>	<b>320.51</b>	<b>11.56</b>	<b>332.07</b>

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

The Mayor's budget includes significant savings across the GLA Group in 2020-21. 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 and extra resources to tackle homelessness and reduce rough sleeping. The Mayor will also provide extra funding to support disadvantaged young Londoners and increase investment in green spaces. 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. An additional £50 million has also been allocated to fund a Green New Deal for London to address the climate change emergency. The Mayor is also providing funding for around 1,000 cultural and community events across London and for the planting of thousands more street trees over the next year.

The Mayor will also work with London's business community and key investors to ensure 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 over 6,400 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 girls and invest an extra £56 million to tackle the complex causes of violent crime.

The MPS has to rise to meet these challenges at a time of acute financial pressure. As a result of the reductions in resources for policing over the last decade, officer numbers fell to the lowest levels in fifteen years, 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.

The Mayor is raising the police element of his council tax precept by £10 for a typical Band D property. He will also maintain an additional £59 million of funding through business rates. In all, through his budget decisions the Mayor has funded an additional 1,300 officer posts from locally raised revenues.

### **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 have been frozen again in 2020. This will save travellers an estimated £40 million a year;
- maintaining the 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;
- developing plans and securing funding to deliver refurbished trains on the Central Line and deliver a new spacious state of the art fleet on the Piccadilly line;
- introducing an Ultra Low Emission Zone in central London to tackle local air pollution which will be extended to the North and South Circular roads by autumn 2021;
- making public transport more accessible for everyone. By 2024 nearly 40 per cent of tube stations are expected to be step free. 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 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, on average, within six and eight minutes respectively. 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 2020-21 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 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)	2020-21
Gross expenditure	13,365.9
Government grants and retained business rates	-5,486.6
Fares, charges and other income	-6,787.3
Use of reserves	-81.1
<b>Amount met by council taxpayers (£m)</b>	<b>1,010.9</b>

Changes in spending (£ million)	2020-21
2019-20 council tax requirement	960.6
Inflation	244.8
Efficiencies and other savings	-150.8
New initiatives	512.1
Other changes (for example fares revenue and government grants)	-555.8
<b>Amount met by council taxpayers (£m)</b>	<b>1,010.9</b>

### Detailed budget by service area

The table below compares the GLA Group's expenditure on policing, fire and other services (including transport) in 2020-21 with 2019-20.

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, adult education and the fire service as well as additional business rates receipts being paid over to the Government to support local services elsewhere in England. 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 1.6 per cent increase in London's residential property taxbase. Find out more about our budget at: [www.london.gov.uk/budget](http://www.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	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
(figures may not sum exactly due to rounding)								
Gross expenditure	3,556.7	3,885.3	450.3	489.5	8,225.6	8,991.1	12,232.6	13,365.9
Government grants and business rates	-2,656.4	-2,786.3	-245.7	-266.1	-1,852.4	-2,434.1	-4,754.5	-5,486.6
Other income (incl. fares and charges)	-278.5	-280.0	-38.3	-39.8	-6,205.3	-6,467.5	-6,522.1	-6,787.3
<b>Net expenditure</b>	<b>621.8</b>	<b>819.0</b>	<b>166.3</b>	<b>183.6</b>	<b>167.9</b>	<b>89.5</b>	<b>956.0</b>	<b>1,092.0</b>
Change to level of reserves	103.4	-51.9	-7.1	-15.0	-91.7	-14.2	4.6	-81.1
<b>Council tax requirement (income)</b>	<b>725.2</b>	<b>767.1</b>	<b>159.2</b>	<b>168.6</b>	<b>76.2</b>	<b>75.2</b>	<b>960.6</b>	<b>1,010.9</b>