

## **Budget Related Motion - 22 February 2016**

**Proposed by: Stephen Knight AM**

**Seconded by: Caroline Pidgeon AM**

This Assembly notes the Greater London Authority's increasing dependency on income from business rates to fund its core activities following a steady reduction in the amount of grant funding it receives from central government.

This Assembly recognises that the new business rates retention scheme provides a greater incentive for the Mayor to promote economic growth across London, but remains concerned by the volatility and uncertainty in this key income source – with the GLA set to receive £27.2m less retained business rates income than previously expected in 2016-17 alone.

Within this context this Assembly is concerned by the Mayor's intention to cut the Band D precept paid by residents of the 32 London Boroughs by a further £19 (or over six per cent) in 2016-17, of which £12 will arise from a planned reduction in the GLA's contribution towards the cost of the 2012 Olympic and Paralympic Games.

This Assembly believes the Mayor's Final Consolidated Budget for 2016-17 will place unnecessary financial constraints on the next Mayor as well as dramatically restricting the future activity of the GLA, since a large cut in the precept in 2016-17 has implications for future years too, with the scope to reverse this change currently limited to raising council tax in the 32 boroughs and City of London by no more than 2 per cent each year, beyond which a costly referendum would be triggered.

This Assembly believes that the choice of whether to make such a large cut in the precept should be a strategic decision taken by a future Mayor with a long-term interest in the matter.

This Assembly therefore calls on the Mayor to commit to freeze the GLA's share of council tax in his Final Consolidated Budget in order to give the next Mayor the ability to use the additional income arising from the withdrawal of the Olympic precept to finance the future infrastructure needs of London, in particular the delivery of new affordable homes.